



**STUDY PACK**

**ON**

**COMPARATIVE HUMAN RESOURCE MANAGEMENT**

**INTERMEDIATE II**

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## **FOREWORD**

This fourth edition of the CIPM study pack is one of the learning resources recommended to persons preparing for certification through professional examinations. It is uniquely prepared to meet the knowledge standards of HR certification bodies and/or degree-awarding institutions. The study pack is highly recommended to researchers, people managers and organisations responsible for human capital development in its entirety.

Each chapter in the text has been logically arranged to sufficiently cover all the various sections of this subject as itemised in the CIPM examination syllabus. This is to enhance systematic learning and understanding of the users. The document, a product of in-depth study and research, is practical and original. We have ensured that topics and sub-topics are based on the syllabus and contemporary HR best practices.

Although concerted effort has been made to ensure that the text is up to date in matters relating to theories and practices of contemporary issues in HR, nevertheless, we advise and encourage students to complement the study text with other study materials recommended in the syllabus. This is to ensure total coverage of the elastic scope and dynamics of the HR profession.

Thank you and do have a productive preparation as you navigate through the process of becoming a seasoned Human Resources Management professional.

**Olusegun Mojeed, FCIPM, fnli**  
**President & Chairman of the Governing Council**

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**Oluwatoyin Naiwo, FCIPM**  
**Registrar/Chief Executive**

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## CHAPTER ONE

### CONCEPT OF GLOBAL HUMAN RESOURCE MANAGEMENT

#### Learning Objectives:

After studying this chapter, students should be able to;

- i. Define Global Human Resource Management.
- ii. Highlight and discuss approaches and objectives of Global HRM.
- iii. discuss the best practices for managing a globally diverse workforce.
- iv. discuss the regulatory issues related to managing a globally distributed workforce.
- v. Identify and discuss the Drivers of Globalisation.
- vi. Enumerate and discuss the Drivers of Global HR Management.

#### 1.0 Introduction

To maximise productivity and engagement among their staff, multinational firms use global human resources to address linguistic, cultural, and geographic barriers. Hiring workers with the right skills, assisting with regulatory compliance, and standardising procedures and systems are some of its main duties (Brewster & Haak-Saheem, 2020). The process of worldwide integration that results from the exchange of goods, ideas, and other cultural elements is known as globalisation. The phrase "globalisation" describes the growing international links that individuals, organisations, and states are making. Although the process of establishing social and economic relationships across huge distances is not new, trade agreements and technological advancements have significantly strengthened these linkages in the modern day (Cooke, Wood, Wang & Veen, 2020).

One of the main drivers of globalisation is the development of advanced transportation and telecommunications infrastructure, which includes the Internet. This has led to an increased interdependence of economic and cultural activities. Boundaries have become more important as globalisation has increased the demand for global human resource functions. Organisations of all sizes have become global because of the onset of globalisation. As a result, there is now a greater diversity in the workforce and a rise in cultural sensitivity (Malik & Sanders, 2021). The globalisation of business and the internationalisation of business both significantly affect human resource management. Global Human Resource Management came forth because of all of this. The term "human resource management" (HRM) describes the actions an organisation takes to make efficient use of its human resources. To accomplish the theoretical objectives,

human resource management, or HRM, as a commercial practice, consists of several processes (Batt & Hermans,2012).

This chapter covers the fundamentals of global HR management, the forces behind globalisation, the goals and methods of GHRM, the legal concerns surrounding the management of a worldwide dispersed workforce, and the best practices for handling an internationally diversified workforce.

## **1.1 The Need and Essence of Global HR Management**

The practice of hiring, assigning, and efficiently using human resources across national boundaries in multinational organisations is known as global human resource management or global HRM. Businesses that operate in global marketplaces confront unique challenges and rivalries. The interdependence of resources and obligations across national lines is a defining characteristic of multinational corporations. Strong cross-unit integrating devices, a strong corporate identity, and a well-developed global management perspective are all necessary for these organisations to effectively manage the massive flows of components, products, employees, assets, and information among their affiliated businesses (Brewster & Haak-Saheem, 2020).

National cultural characteristics can have a significant impact on how business is conducted since they affect staff behaviour, values, and beliefs as well as customer preferences. As a result, culture influences management from both an internal and external standpoint, impacting both operating expenses and output. Humans are essential to all commercial endeavours, but in the new economy and service industry, their function is more important (Delery & Roumpi, 2017). Organisations that do not believe that transactions can occur beyond territorial boundaries are still linked to the global network. In some manner, they rely on organisations about which they may not even be aware. Organisations are interdependent in many different contexts and roles.

The primary purpose of global human resource management is to ensure that an organisation retains its international vibe while appealing locally in the host nation. The context of global operations permeates all HRM operations. For instance, no multinational or international business wants to be referred to as local, but they also want to have a domestic feel in the nation where they are doing business. This presents a dilemma (Cooke, Veen & Wood, 2017).



### 1.1.1 The Objectives of Global Human Resource Management

The objectives of global human resource management are to maximise an organisation's human capital while managing it efficiently across national boundaries and cultural differences (Brewster, Mayrhofer & Farndale, 2018; Delery & Roumpi, 2017). These aims serve to guarantee that the labour force makes a global contribution to the accomplishment of the organisation's strategic objectives. Among the main objectives of global HRM are:

- i. **Talent Acquisition:** Find and hire the best talent available worldwide to fill open positions in the organisation.
- ii. **Global Workforce Planning:** Schedule and distribute personnel effectively among foreign sites to satisfy company needs.
- iii. **Cultural Adaptation:** Promote an environment at work that is cognizant of and tolerant of the various cultural backgrounds that workers from various areas have.
- iv. **Global Talent Development:** To enable the workforce to successfully contribute to the success of the organisation and develop and strengthen the skills and capabilities of the global workforce.
- v. **Global Benefits and Compensation:** Provide fair and competitive benefit plans that take local laws and market dynamics into account.
- vi. **Global Employee Engagement:** Encourage inspiration and engagement among employees worldwide while accounting for cultural variances and differing expectations from employees.
- vii. **International Mobility Management:** Assist workers in travelling across national boundaries for foreign assignments, transfers, or expatriate assignments.
- viii. **Legal Compliance and Risk Management:** Reduce the ethical and legal risks connected to foreign operations by taking steps to ensure compliance with international labour laws and regulations.
- ix. **Global Diversity and Inclusion:** To maximise the advantages of a range of viewpoints and experiences, encourage diversity and inclusion inside the company.
- x. **Global HR Technology and Data Management:** Put in place systems for managing data and HR technologies that can facilitate international HR procedures and allow for data-driven decision-making.
- xi. **Global Performance Management:** Create a system of fair and uniform performance reviews and feedback for all overseas locations.

- xii. **Succession Planning:** Find and develop future leaders and make sure there is a talent pool for important roles throughout the world.
- xiii. **Cost Control:** Reduce HR costs while preserving globally recognised HR services and initiatives.
- xiv. **Global Ethics and Compliance:** Make sure that HR procedures comply with both the organisation's ethical criteria and global compliance standards.
- xv. **Global HR Strategy Alignment:** Align HR strategies with the organisation's goals and overarching business strategy.
- xvi. **Global Knowledge Sharing:** To take advantage of worldwide expertise and encourage the exchange of knowledge and best practices among various geographical areas.
- xvii. **Global Health and Safety:** Make sure that staff members are safe and healthy in compliance with national and local laws.
- xviii. **Global HR Metrics and Analytics:** Make educated decisions by using statistics and analytics to track and assess the efficacy of HR procedures.
- xix. **Global Employee Well-Being:** Foster work-life balance, mental health, and employee well-being globally.

### 1.1.2 Approaches to the Field of Global Human Resource Management

The field of global human resource management has the following focuses:

- i. It promotes cross-cultural management approaches and looks at organisational behaviour from a global perspective.
- ii. Secondly, research on HRM and comparative industrial relations aims to characterise, evaluate, and assess HRM systems across national boundaries.
- iii. Lastly, it concentrates on the facets of HRM in global corporations.

### 1.1.3 Methods of Becoming Global

- i. **Licencing:** It is a method of market access in which the company generates revenue from royalties following the transfer of technological know-how, rather than taking on the expenses and risks of entering the foreign market on its own.
- ii. **A joint venture:** It is a cooperative arrangement for two businesses to jointly enter a new market.
- iii. **A wholly owned subsidiary:** It is one in which the parent businesses possess a portion of the subsidiary's common stock. In a situation like this, the strategic function of

human resources management is to make sure that HRM policies complement and reinforce the company's strategy, controls, and organisational structure.

#### **1.1.4 Structures and Controls in Global Human Resource Management (GHRM)**

- i. **Decision Making:** The process of operational decisions is somewhat centralised. In contrast, the international strategy decentralises the remaining competencies while centralising the essential competencies (Brewster, Mayrhofer & Farndale, 2018).
- ii. **Coordination:** The sensitivity to cross-cultural differences necessitates a high level of cooperation. Furthermore, there is a strong requirement for cultural control (Cooke, Veen & Wood, 2017).
- iii. **Integrated Mechanisms:** Multiple integrating mechanisms are active at the same time (Zhao *et al.*, 2020).

#### **1.1.5 Expatriates**

A person who lives temporarily or permanently in a nation and culture different from their own is known as an expatriate, or simply an expat. The Latin phrases *ex* ("out of") and *patria* ("country, fatherland") are the source of the name. Any person residing in a nation other than their country of citizenship is considered an expatriate in the widest definition of the word. When the term "professionals sent abroad by their firms" is used, it usually refers to professionals rather than locally hired staff (Zhao *et al.*, 2020).

Common usage distinguishes based on socioeconomic reasons, therefore qualified professionals working abroad are referred to as expatriates, whilst a manual labourer who relocated to another nation in search of a better-paying job might be referred to as an "immigrant." There is no agreed-upon meaning, and usage varies based on personal preconceptions, preferences, and context. In certain nations, the term "expatriate" is also used in a legal sense for taxation purposes. A foreign national residing in a nation may be eligible for advantageous tax treatment. In this sense, a person can only be considered an expatriate if they relocate to another nation for employment to go back to their home nation within a predetermined time frame (Budhwar, Tung, Varma & Do, 2017). Although the maximum duration varies according to the tax jurisdiction, five years is the most often utilised. Generally, you can stay in a country for no more than three years if taxes do not harm you. International businesses frequently have coaching programmes and company-wide policies that involve spouses in decision-making early. While many firms do offer additional benefits and help, few

offer compensation for the income loss of expatriate spouses. The degree of assistance varies; it might range from providing spouses with a job-hunting course at the new place to full-service partner support structures managed by the organisation's volunteer spouses.

### **1.1.6 Advantages and Disadvantages of Using Expatriate Employees to Staff International Company Subsidiaries**

Using expatriate employees to staff international company subsidiaries can offer various advantages and disadvantages (Batt & Hermans, 2012). Here are some of the key points to consider:

#### **Advantages**

- i. **Technical Expertise:** Especially in fields requiring specialised knowledge or advanced technology, expatriates frequently contribute specialised abilities, expertise, and experience that may be missing in the local workforce.
- ii. **Knowledge of the Company and Culture:** Expatriates find it simpler to align the subsidiary with the overarching corporate plan because they are acquainted with the parent company's culture, principles, and goals.
- iii. **Control:** When it comes to overseeing subsidiary operations and making sure they live up to the standards and expectations of the parent firm, expatriates offer more consistency and control.
- iv. **Expertise Transfer:** By transferring best practices and expertise from the parent firm to the subsidiary, expatriates can raise operational quality and efficiency.
- v. **Quick Start:** Because they already know the parent company's systems and processes, they can assist the subsidiary in getting up and running more quickly.
- vi. **Cross-Cultural Communication:** Foreigners can help close cultural divides, promote dialogue, and cultivate connections with regional partners and clients.
- vii. **Risk Mitigation:** Foreign nationals can assist in reducing the risks related to regional laws, legal observance, and any miscommunications.

#### **Disadvantages:**

**Cost:** Because expatriates typically have more pay, benefits, and relocation packages, hiring them can be costly. The cost may put a strain on the subsidiary's finances.

- i. **Cultural Adjustment:** It can be difficult for expatriates to fit in with the local way of life, which can cause stress, poor morale, and communication problems.
- ii. **Development of Local Talent:** Relying too much on expats may impede the long-term growth of local talent.
- iii. **Language Barrier:** When communicating effectively with local staff and clients, expatriates may find it difficult due to language barriers.
- iv. **High Turnover:** Because expatriates may have short tenure, there may be a high rate of turnover, which can cause problems for operations and long-term planning.
- v. **Potential for Ethnocentrism:** Too much reliance on expatriates could result in an ethnocentric mindset that ignores the local viewpoint and makes it more difficult to adjust to local market realities.
- vi. **Legal and Visa Issues:** Handling the requirements for work permits and visas, as well as maintaining compliance with the law abroad, can be difficult and time-consuming.
- vii. **Reliance on Individual Expertise:** If a small number of expatriate personnel leave, subsidiaries may become unduly reliant on their expertise, leaving them vulnerable.
- viii. **Social Isolation:** It can be challenging for foreign nationals and their families to integrate into the community and to experience social isolation.

### 1.1.7 Types of International Employees

There are three basic sources, the MNCs can tap for overseas positions:

- i. **Parent Country Nationals (PCNs):** PCNs are nationals of the nation in which the multinational corporation has its headquarters. Indeed, "headquarters" nationalities is also a phrase that is used occasionally. When someone lives and works outside of their home country, they are generally referred to as expatriates, or just expats, like these managers. PCNs are used for a few purposes. Launching operations is the most frequent justification. Major corporations favour having their employees start new businesses. People in the parent country have the requisite management and technical know-how, which is the second most frequent explanation (Cooke, Veen & Wood 2017).
- ii. **Host Country Nationals (HCNs):** The MNC employs local managers known as HCNs. Hiring them at the entry-level or intermediate ranks makes sense for a variety of reasons. As a condition of opening their markets to MNCs, many nations demand that the MNCs engage local people. For instance, in Brazil, any foreign subsidiary's workforce must consist of two-thirds of Brazilian natives. This also holds for Nigeria,

where multinational corporations hire two-thirds of the skilled local workforce. Before establishing joint venture agreements, the Indian government also sets limits on the number of expats that can be hired. This is done mainly to control the outflow of foreign cash and to train Indian citizens to take over the duty in the future. PCNs typically occupy the highest spots, however, this isn't always the case. For instance, businesses that adhere to the polycentric approach or multi-domestic philosophy would typically choose the majority of positions—including the most senior ones—from within the host nation after they had begun operations. Cooke, Wood, Wang, & Veen (2020) distinguished the following four justifications for the deployment of host country managers: (a) They are accustomed to the local way of life; (b) They speak the language fluently; (c) They are less expensive and knowledgeable about the customs and regulations of the area; and (d) Hiring them is a smart public relations move.

- iii. **Third Country Nationals (TCNs):** TCNs are managers who are nationals of nations other than the one in which the multinational corporation (MNC) has its headquarters or where it assigns its employees to work.

### 1.1.8 Approaches to International Human Resource Management (IHRM)

There are four approaches to international HRM which are as follows:

- i. **Ethnocentric:** Strategic decisions are determined at headquarters; few overseas branches have any autonomy. Management staff from headquarters hold important responsibilities in both domestic and international businesses. PCNs, or foreign nationals living abroad, oversee these subsidiaries.
- ii. **Polycentric:** The MNC views every subsidiary as a separate national organisation with some degree of autonomy over decision-making. Local nationals (HCNs), who are rarely promoted to jobs at headquarters, typically oversee subsidiaries. Rarely are PCNs moved to overseas subsidiary companies.
- iii. **Geocentric:** The MNC approaches its business globally, understanding that each division—including subsidiaries and headquarters—contributes uniquely based on its specialities. The ability takes precedence over nationality.
- iv. **Regiocentric:** Represents the multinational's regional strategy and organisational structure. It makes limited use of a larger pool of managers. Employees are free to relocate outside of their home nations, but only within the designated area. Although

they might not be given head office promotions, regional managers do have some decision-making autonomy.

The classifications pertain to the attitudes of managers that mirror the socio-cultural milieu within which the globalising company operates. The way the company approaches a given staffing decision depends on several factors, including the degree of cultural divergence between the parent and host countries, the maturity of the business, and the strategic significance of the overseas market (Malik & Sanders, 2021).

### 1.1.9 Drivers of The Globalisation

A multitude of forces and variables are at play in the intricate and diverse process of globalisation. Among the main forces behind globalisation are:

- i. **Technological Innovations:** Information and communication technologies (ICT) have significantly lowered the cost and barriers to international communication, facilitating cross-border connections and collaboration for individuals and organisations.
- ii. **Trade liberalisation:** By facilitating the movement of products and services across international borders, accords like the World Trade Organisation (WTO) have eliminated trade obstacles and tariffs, thereby fostering global trade.
- iii. **Transportation Infrastructure:** The growth of air travel, shipping, and logistics networks, among other improvements, have improved the efficiency and economy of moving people and products throughout the world.
- iv. **Global Supply Chains:** As a result of businesses being able to obtain parts and materials from all over the world, there is a greater degree of interconnectedness between the world's economies.
- v. **Market liberalisation:** Multinational companies (MNCs) and foreign direct investment (FDI) have grown because of the liberalisation of markets and the privatisation of industries in many nations.
- vi. **Financial Integration:** Businesses now find it simpler to obtain international funding due to the facilitation of cross-border capital flows and investment made possible by the integration of global financial markets.
- vii. **Cultural Exchange:** More people are interacting and understanding across cultural boundaries because of the proliferation of media and cultural products.
- viii. **Migration:** People travelling across nations for employment, education, and other purposes have boosted economic interdependence and cultural diversity worldwide.

- ix. **Political and Economic Agreements:** Regional economic communities (like the Association of Southeast Asian Nations (ASEAN) and international organisations, as well as trade agreements (like the North American Free Trade Agreement (NAFTA) and the European Union (EU)), have helped to shape global economic and political integration.
- x. **Globalisation of Education:** By encouraging a global knowledge-based economy and expanding academic exchanges and international education, researchers and students can interact with a wide range of viewpoints and concepts.
- xi. **Environmental Factors:** To solve environmental difficulties collectively, agreements and worldwide collaboration are required. Examples of these challenges include resource scarcity and climate change.
- xii. **Geopolitical Events:** By fostering more international trade and markets, significant geopolitical events like the end of the Cold War and the reopening of formerly closed economies (like China and the former Soviet Union) have propelled globalisation.
- xiii. **Customer demand** has spurred international trade and global production networks, as consumers seek a wide range of goods and services, including those from outside sources.
- xiv. **Labour Mobility:** The movement of migrant labourers and trained professionals is one form of labour mobility that supports the international exchange of knowledge and human resources.
- xv. **Global Competition:** Globalisation is a result of innovation and efficiency improvements spurred by the necessity for firms to maintain their competitiveness on a worldwide scale.

It is crucial to remember that these forces behind globalisation are interrelated and that the extent of their impact varies by country and sector (Malik & Sanders, 2021). Although there are numerous advantages to globalisation, it has also created problems with economic fragility, cultural homogenization, and inequality. The ongoing discussion concerning the effects of globalisation is still influencing the political, social, and economic environments around the world.



## 1.2 The Best Practices for Managing a Globally Diverse Workforce

For most firms, workforce diversity is their top priority. Organisations nowadays must comprehend worker diversity and manage it well. People from different cultures, religions, and backgrounds need to pay greater attention to each other and interact more than ever in the 21st century due to the world's rapidly rising globalisation. People today live and work in a global economy where competition comes from almost every continent, rather than in isolated markets. Because of this, diverse workforces enable profit and nonprofit organisations to be more innovative and adaptable (Cooke, Veen & Wood, 2017). The diversified workforce of today is a reality. Diversity in the workforce recognises that individuals vary in a wide range of ways, both obvious and hidden, including age, gender, marital status, socioeconomic standing, handicap, sexual orientation, religion, personality, ethnicity, and culture. Workplace diversity programmes' framing influences the results that an organisation gets. An organisation might define diversity, for instance, as social justice, regulatory compliance, the duty of a certain department, such as HR, the result of strategic planning, or a project with a community focus (Brewster & Haak-Saheem, 2020).

Overseeing a multicultural staff is a challenging but worthwhile undertaking, considering these best practices to encourage a diverse and equitable workplace while maximising the advantages of diversity:

- i. **Leadership Commitment:** The organisation's top management must set an example by really committing to diversity and inclusion. Leaders ought to support diversity programmes and set an example of how to be inclusive.
- ii. **Explicit Diversity Plan:** Create a clear diversity and inclusion plan that is consistent with the goals and values of your company. Make sure that everyone in the company is aware of it.
- iii. **Diversity Awareness and Training:** To promote empathy, raise awareness, and build cultural competency, give diversity education to every employee. Promote lifelong learning about various cultures and viewpoints.
- iv. **Inclusive employment Practises:**
  - a. **Unbiased recruitment:** Try using blind recruiting strategies to lessen unintentional prejudice in the employment process.
  - b. **Diverse Interview Panels:** To prevent potential bias in the selection of candidates, make sure the interview panels are varied.

- c. **Diverse Job Postings:** To draw applicants from a range of backgrounds, use inclusive phrases in your job postings.
- v. **Equal Opportunity:** Provide all workers, regardless of background, with equal opportunity for advancement in their careers, career promotion, and leadership responsibilities.
- vi. **Employee Resource Groups (ERGs):** Promote and assist the establishment of affinity groups or ERGs inside the company that reflect different demographics. In addition to offering insightful feedback on diversity and inclusion initiatives, ERGs can foster a feeling of community.
- vii. **Inclusive Leadership:** Encourage traits like empathy, active listening, and having an open-door policy. When making decisions, leaders should support a variety of viewpoints.
- viii. **Mentorship and Sponsorship:** Create programmes that pair senior executives who can help underrepresented workers progress in their careers with mentors and sponsors.
- ix. **Flexible Work Policies:** Establish flexible work schedules to consider a range of requirements, including varying cultural and familial commitments.
- x. **Conflict Resolution:** Establish equitable and transparent procedures for handling and resolving disputes about diversity and inclusion. Make sure workers feel comfortable coming out with reports of harassment or discrimination.
- xi. **Employee input:** Request input from staff members regarding diversity and inclusion initiatives and utilise this input to continuously enhance programmes.
- xii. **Cultural Celebrations:** Appreciate and honour the variety of cultures represented in your workforce. Organise activities, seminars, or events that highlight various customs and civilizations.
- xiii. **Mandatory Reporting:** To gauge success and pinpoint areas in need of development, set up a mechanism for monitoring and disclosing diversity and inclusion indicators.
- xiv. **Legal Compliance:** Recognise and abide by all national, state, and local laws about diversity and discrimination. Make sure your procedures and policies follow ethical guidelines as well.
- xv. **Supplier Diversity:** Encourage the use of diverse contractors and vendors by extending diversity and inclusion initiatives to supplier relationships.
- xvi. **Continuous Evaluation and Improvement:** Evaluate your diversity and inclusion programmes regularly and make necessary adjustments.

- xvii. Senior Management Diversity: To represent the diversity of the larger community, and encourage diversity at all organisational levels, especially in leadership roles.
- xviii. Global Perspective: Be aware that the cultural and legal environments of the various areas in which your organisation conducts business may require modifications to your diversity management methods.
- xix. Anti-Racism Initiatives: Put in place measures, such as anti-racism training, to actively oppose racism and prejudice in the workplace.
- xx. Diverse Feedback Channels: Provide avenues for staff members to offer ideas and comments on how to enhance inclusion and diversity.
- xxi. Corporate Social Responsibility: Coordinate efforts to promote diversity and inclusion with larger activities related to sustainability and CSR.

Employers may foster a culture where each person feels appreciated, respected, and free to use their skills and viewpoints to further the success of the company by implementing these best practices. This can therefore result in enhanced innovation, more engaged employees, and better business outcomes overall.

### **1.2.1 Organisational Best Practices**

Best practices for an organisation are those that are most appropriate for the circumstances, especially as they are accepted or regulated in the business world, as well as methods or procedures that, through study and experience, have repeatedly yielded the ideal or desired result (Brewster, Mayrhofer & Farndale, 2018). The most effective practices in a given industry are frequently the result of thorough and rigorous study that is founded on labouriously acquired practical expertise.

Nine leading practices in the business were acknowledged by the US Government Accountability Office:

- i. Top leadership commitment: a high-level management team's demonstration and dissemination of a diverse workplace vision.
- ii. Diversity as an integral part of a strategic plan: a created and coordinated diversity plan and strategy that works with the organisation's overall plan.
- iii. Diversity and performance: The idea that an increasingly inclusive and varied workplace can boost output and enhance both individual and organisational performance.

- iv. Measurement: a collection of qualitative and quantitative metrics used to assess how different programme components affect overall diversity.
- v. Accountability: Linking performance evaluation and remuneration to the advancement of diversity programmes ensures that leaders bear responsibility for diversity.
- vi. Succession planning: It is a strategic, continuous process that identifies a broad talent pool and develops individuals into future leaders of a company.
- vii. Recruitment is the process of drawing in a pool of competent, diverse job candidates.
- viii. Employee involvement: employees' efforts to promote diversity inside a company.
- ix. Diversity training: This refers to organisational initiatives to enlighten and teach employees and executives about the advantages of diversity for the company.

### **1.2.2 Strategic Plan for Diversity Promotion**

**In his investigation, Aronson (2012) found six essential components:**

- i. A strong examination of the business case that demonstrates the benefit(s) of diversity for the company.
- ii. Suggestions for including every worker in the diversity initiative.
- iii. Institutionalising the diversity programme by designating a department or person in charge of the executive-level strategy plan.
- iv. Well-defined objectives are linked to the gaps discovered by the diversity audit and the corporate objectives.
- v. Diversity metrics to monitor the achievement of such objectives.
- vi. Metrics of accountability that make managers answerable for addressing diversity.

Aronson (2012) categories these more specific best practices into five areas:

- i. Recruitment and Hiring
- ii. Promotion and career advancement
- iii. Alternative dispute resolution
- iv. Management accountability and
- v. Human factors

These best practices have the greatest impact on diversity, according to Kalev, Dabbing, and Kelly (2010):

- i. Establishing specialised roles to accomplish novel objectives.

- ii. Eliminating management bias and its progeny equality through feedback and training.
- iii. Creating initiatives to combat minority and women's marginalisation to enhance their chances of finding employment.

### **1.3 The Regulatory Issues Related to Managing a Globally Distributed Workforce**

It is in the best interests of the business to attract and nurture a multicultural and diverse staff. This prompted the establishment of a federal organisation to provide a channel for employees to report incidents of discrimination.

#### **1.3.1 Major Federal Equal Employment Opportunity Laws and Regulations**

The Federal Ministry of Labour and Employment is one of the federal bodies entrusted with enforcing anti-employment laws at the federal level. The regulations safeguard against discrimination in all areas of work and against discrimination on any basis, including race, colour, religion, sex, national origin, age, and disability. According to Ashwathappa and Dash (2008), the EEOC offers protection from discrimination to those who have reported instances of it. Employers with fifteen or more employees are covered by the EEOC (20 for age discrimination). A diverse staff not only complies with EEOC laws but also enhances customer service and creates a more profitable and productive work environment.

#### **1.3.2 Labour Legislation**

Labour laws govern how employers are required to treat their employees, according to Sandle et al. (2022). Workers can receive some protection from exploitation, and employers can receive some legal assistance if employees fail to uphold their half of the contract. The HRM division manages complaints resulting from possible legal infractions and keeps an eye on adherence to labour laws. In the absence of restrictions, some businesses might demand their workers to perform dangerous jobs that could jeopardise their general and physical health.

**Table 1.1 Broad Principles Underlying Labour Legislation**

Issue	Content
Hours of Work	Maximum weekly hours allowed or averaged over a given period. Age limits on the number of hours worked may frequently be in effect. Laws will also outline any exceptions, including those about the armed services.
Pay-related matters, such as minimum wage	highlights any applicable national minimum wage. details how and when employees should expect to receive their pay cheques, along with the rate at which overtime hours should be compensated.
Discrimination issues	designed to protect employees against discrimination based on their gender, sexual orientation, race, or religion. It is illegal in several countries to discriminate against employees because of their political affiliation, trade union membership, or HIV status.
Health and Safety	designed to protect employees while they are on the job. Legislation is in charge of providing a safe and healthy work environment. It also outlines the consequences for corporations that break the law.
Employment contracts	Employment contracts are required by law to provide certain information and to outline the procedures and timelines for terminating them.
Holiday entitlement	A minimum number of holidays may be enforced by some countries. Although they are free to give more as an incentive, businesses are obligated to supply the minimal minimum.
Employment relations	involves the liberty to become a member of a labour union. Provide details regarding national collective bargaining agreements as well. The kind of activities that employees can take would also be specified by law.
Minimum age issues	This could limit the types of employment that people below a particular age can do. It is prohibited for anyone under a certain age to work in several countries.

According to Sandie et al., (2022), the broad principles for labour legislation are depicted in Table 1.1. It must also be noted that the Nigerian Contract of Employment contains all the listed general elements that underpin labour legislation.

#### **1.4 Conclusion**

Globalisation is the process of global integration that comes about as a result of the trade of products, concepts, and other cultural components. The expansion of the Internet and other advancements in the telecommunications and transportation industries have made a substantial contribution to globalisation, which has raised the interdependence of cultural and economic

endeavours. Organisations that think they are exempt from international trade are nevertheless a part of the global economy. HRM, or "human resource management," refers to the processes a business uses to effectively utilise its human resources. Organisations that think they are exempt from international trade are nevertheless a part of the global economy. One aspect of globalisation is the dissemination of ideas, practices, and technological advancements. It transcends internationalisation and universalization. The market, cost, technological, political, and competitive dynamics are the driving forces for globalisation.

## 1.5 Illustrative and Practice Questions

### MULTIPLE CHOICE QUESTIONS

1. HRM refers to those activities undertaken by an organisation to utilise its ..... resources effectively.
  - a. Management
  - b. Human
  - c. Workers
  - d. Manager
2. Global HRM aims to create a local appeal without compromising upon the ..... identity.
  - a. Global
  - b. HRM
  - c. Workforce
  - d. manager
3. A high degree of ..... is required in the wake of the cross-cultural sensitivities.
  - a. Organising
  - b. Planning
  - c. Controlling
  - d. Coordination
4. Regiocentric is the geographic strategy and structure of the multinational. Personnel may move outside their countries but only ..... the geographic region.
  - a. Within
  - b. Inside
  - c. Outside
  - d. About
5. Key positions at the domestic and foreign operations are held by management personnel of headquarters, in ..... approach.
  - a. Geocentric
  - b. Ethnocentric
  - c. Geocentric
  - d. Polycentric



## **MCQ - SOLUTIONS**

1. B    2. A    3. D    4. A    5. B

## **PRACTICE QUESTIONS ESSAY**

1. Critically discuss five (5) focal factors that distinguish Global Human Resource Management from Human Resource Management in the light of its objectives.
2. Elucidate major challenges in global human resource management.
3. Citing examples succinctly explain three (3) reasons for the growing interest in global human resource management.
4. The Gatsby Hotel in America has just planted a subsidiary in Britain. The management asked you if they should look only at internal candidates who are parent country nationals (PCNs) or recruit host country nationals (HCNs). You are required to advise the management of the hotel citing the merits of any approach you think the organisation should adopt

## 1.6 Case Study - Global Thrust of Aditya Birla Group

A decade has passed since Kumar Mangalam Birla assumed leadership of the Aditya Birla group in 1996 when he was just 28 years old. Over the past ten years, he has not only emerged as a capable leader in his own right, but he has also quietly and assuredly transformed the group with a strong global focus. This transformation was recently recognised, even as he narrowly missed winning the World Entrepreneur of the Year Award from Ernst & Young in a fiercely contested event in Monte Carlo in 2006. Consider the expanding global footprint of the group today.

- i. The group is now the world's largest producer of Viscose Staple Fibre.
- ii. It holds the distinction of being the world's largest palm oil producer at a single location.
- iii. The group ranks as the world's third-largest producer of insulators.
- iv. It is the largest producer of carbon black globally.
- v. It stands as the 11th largest cement producer in the world.
- vi. The group operates the world's largest single-location copper smelter.
- vii. It is recognised as the world's most cost-efficient producer of aluminum and copper.

The transition from a domestically focused commodities giant to a global conglomerate over the last decade is also reflected in the numbers. The group's turnover has surged from \$1.8 billion to approximately \$12 billion. It has maintained a healthy average growth rate of 15 per cent over the last ten years, with a remarkable 22 per cent annual growth rate over the past four years. This impressive growth extends across various business segments, including metals, cement, mining, and new economy sectors like telecom, apparel, and financial services.

The group's manufacturing facilities now span across 10 countries. Although it initially focused on Southeast Asian countries, it has significantly expanded its investments to encompass regions such as Egypt, Canada, Australia, China, and Laos. Approximately 30 per cent of the group's total turnover now originates from overseas operations, with more than 12,000 of the group's 72,000 employees representing 20 different nationalities. While India remains an important focus, China has also emerged as a target for Kumar Mangalam Birla.

The global journey has not been without its challenges. As the company transitions from being primarily India-focused to a global multinational, one of its key challenges is establishing credibility on the global stage. An illustrative example is the acquisition of a pulp and fibre business in Canada in 2005, which required the group to win over the local community in the

mill township of Nackawic. The local unions, provincial government, and employees had legitimate concerns, but the group's team effectively addressed these concerns, gradually gaining the trust of Nackawic's employees and the local community. The acquisition was seen as a win-win, with employees preferring to work for an Indian multinational with credibility over a local company that oversaw the mill's closure.

Ultimately, the Indian acquisition team received a standing ovation at the provincial Parliament, underscoring the significance of this acquisition for the Aditya Birla group. The strategy was to leverage this acquisition as a source of high-quality pulp for its fibre units in India, Thailand, and Indonesia. With a capacity of 180,000 tonnes per annum, this acquisition is expected to enhance the group's global competitiveness in the fibre business. Looking ahead, the group aspires to secure a place on the Fortune 500 list by 2010.

To achieve this goal, the group has set ambitious global plans:

- i. In the rayon fibre industry, it aims to become the number one global player, capturing a market share exceeding 30 per cent.
- ii. In non-ferrous metals, it envisions becoming the largest integrated aluminium player in Asia, with a substantial presence in downstream customer-interactive businesses.
- iii. In the cement sector, the group aims to maintain its position as one of the largest players in India while selectively exploring attractive markets for diversification.
- iv. In the carbon black segment, its objective is to establish a commanding presence in all significant world markets.

### **Questions:**

1. In what manner did the Aditya Birla Company transition from being an India-centric group to establishing itself as a global multinational corporation?
2. What key elements could facilitate the Aditya Birla Company's inclusion in the Fortune 500 group?
3. To what extent can Kumar Mangalam Birla strategically elevate the global standing of the company?

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## CHAPTER TWO

### THE COMPARATIVE APPROACH TO HUMAN RESOURCE MANAGEMENT

#### Learning Objectives

At the end of this chapter, students should be able to;

- i. Describe the conceptual clarification for comparative human resource management.
- ii. Elucidate the HR management concepts of convergence and divergence.
- iii. Discuss communication about comparative HRM.
- iv. Explain collaborative regulation in comparative human resource management.

#### 2.0 Introduction

This chapter examines the distinct differences in how various nations handle their human resources. The chapter makes the case that context is still important despite the acceleration of the globalisation trend. We clarify how various nations have distinct ideas about what constitutes "HRM," including definitions, interpretations, and what constitutes good HRM practises and policies. Multinational companies (MNCs) that manage employees in several nations face challenges because of these variations. Most importantly, comparative HRM poses a challenge to the best practice concept, which is the universalist paradigm of HRM. This chapter covers the philosophical underpinnings of comparative HR management, the HR principle of convergence and divergence, and complementary and cooperative regulation in HRM.

#### 2.1 Conceptual Clarifications for Comparative HR Management

Comparative human resource management is the study of differences and similarities in HR practises across distinct institutional, legal, and cultural contexts. Comparative HR Management, which has its roots in the study of cultural dimensions, investigates how cultural values impact HRM strategies by employing frameworks such as Hofstede's cultural dimensions (Paauwe & Farndale, 2017). The legal and institutional frameworks are critical components that provide insight into how disparities in employment laws, labour laws, and industrial relations systems affect HRM practises (Brewster & Haak-Saheem, 2020). Global talent management is another field of study in the industry that encompasses expatriate

management, foreign recruitment, and building a workforce with global competency (Delery & Roumpi, 2017).

Comparative HR Management strikes a careful balance between adapting HR practises to local settings and standardising them globally (Adams, Smart & Huff, 2017), resolving the contradiction in HR strategies between localization and globalisation. The conceptualization extends to investigating the impact of human resource management practices on organisational performance, scrutinising the efficacy of techniques such as performance management, training, and employee engagement (Paauwe & Boon, 2009). It also includes the dynamic feature of cross-cultural leadership, which investigates how leadership styles and behaviours differ between cultures and impact HR practises (Brewster, Mayrhofer & Farndale, 2018). In today's environment, Comparative HR Management broadens its conceptual limits to include current trends and technologies. This entails investigating the global impact of digitization, artificial intelligence, and virtual collaboration on HRM procedures (Sanders & De-Cieri, 2021). Comparative HR Management serves as a conceptual compass as organisations navigate the intricacies of a quickly shifting business environment, enabling insights to design adaptive and effective HRM approaches that connect with the wide-ranging and constantly changing characteristics of the global workforce.

### **2.1.1 The Establishment of Comparative HRM And its Boundaries**

The rising realisation that HR practises are intricately entwined with a variety of institutional, legal, and cultural contexts gave rise to the study of comparative human resource management, or HRM. Historical foundations for the study of the impact of cultural values on HR practises include the cultural dimensions theory of Geert Hofstede (Hofstede, 1980), which set the groundwork for the development of comparative human resource management. To understand the complexities brought about by these differences, comparative HRM methodically examines and contrasts HR policies, strategies, and results across various nations and organisations (Wilkinson & Wood, 2017). Acknowledging the role that institutional structures, legal frameworks, and cultural subtleties have in influencing HRM practises, the area has established itself as a crucial pathway to understanding the complexities of global HRM.

Comparative HRM functions within specific constraints that define its scope, notwithstanding its basic contributions. The conflict between standardising HR procedures worldwide and adjusting them to local settings shapes the boundaries of the discipline (Adams, et al., 2019). Finding the ideal balance between HR strategy localization and globalisation is the difficult

part. Furthermore, Comparative HRM broadens its purview to encompass the analysis of cutting-edge HR practises and technology, recognising the revolutionary influence of virtual cooperation, digitalization, and artificial intelligence on international HRM procedures (Beer, Boselie & Brewster, 2015). Comparative HRM is still a crucial field that offers priceless insights into how businesses may manage the challenges of managing human resources in a dynamic, interconnected global environment as it traverses various boundaries.

### **2.1.2 Broad Categories of HRM**

- i. Human resource management, or HRM, is a broad field that explores the complex procedures that businesses use to control their labour force to perform vital tasks. Fundamentally, human resource management (HRM) includes all of the conventional aspects of personnel management, including resource allocation, training, and development. This entails putting the proper people in place to generate success by strategically matching the organisation's goals with its human resources (Caligiuri et al., 2020). The field of industrial relations is particularly noteworthy in the context of HRM. It is a crucial element that deals with the dynamic interactions between employers and employees, including collective bargaining, dispute resolution, and the preservation of positive workplace relations (Dundon, Wilkinson, & Donaghey, 2017). Human resource management (HRM) goes beyond traditional paradigms of people management to handle changing workforce structures. This covers an analysis of outsourcing and other creative arrangements for using human resources even in situations when people are not working for the company directly. The strategic use of outsourced labour and the management of external sources of talent add to HRM's complexity (Cooke, Wood, Wang & Veen, 2020). This growth demonstrates HRM's flexibility in negotiating the intricacies of contemporary organisational systems, where a variety of employment arrangements coexist with conventional employment models. Essentially, the field of human resource management (HRM) provides a comprehensive understanding of how businesses interact with, use, and maximise their human capital, recognising the dynamic interaction between internal and external resources in the achievement of organisational objectives.
- ii. In the corporate world, human resource management (HRM) is crucial to an organisation's success, and its value is frequently assessed from a strategic perspective. Scholars like Brewster et al., (2020) and DeCieri et al., (2021) highlight the strategic aspect of human resource management (HRM), stressing that HRM is not just an



administrative function but also a proactive force that synchronises human resource practises with overall business goals. According to this strategic viewpoint, HRM is a dynamic force that promotes efficacy and efficiency with the goal of organisational success. HRM is a field of study that has two main focuses: the first explores the link between persons in the workplace and their organisations in a broader sense, while the second focuses on management practises and activities to improve organisational efficiency (Cooke, Veen & Wood, 2017). The former covers many facets of the working relationship and offers a thorough grasp of the interactions between individuals and organisations. The latter, on the other hand, is frequently referred to as strategic HRM and emphasises the proactive role that management plays in implementing HR practices to boost organisational performance. According to Haak-Saheem et al., (1917) and Schuler & Jackson (2007), there are differences in the ways that scholars see and investigate the key components of HRM due to the influence of institutional, cultural, and historical contexts in addition to conceptual shapes on these various perspectives. The comparative approach to human resource management (HRM) is based on several traditions, such as industrial relations and the emerging fields of global business and international HRM. It contributes distinct perspectives influenced by various contexts and historical research antecedents to the understanding of HRM.

- iii. The development of comparative human resource management, or HRM, has been greatly influenced by the industrial relations heritage, especially in Europe and Australasia. From industrial relations studies, where a focus on nationally comparative concerns was fundamental, many early scholars and lecturers in HRM made the shift. When examining the closely related topic of HRM, industrial relations—which varies significantly across nations—naturally leads experts to use a comparative approach (Cooke, Veen & Wood, 2017). This viewpoint resulted from realising how deeply ingrained industrial connections were in their country. Due to the transfer of industrial relations specialists to HRM, a more comparative approach was developed, addressing issues such as differences in consultation mechanisms between nations and disparities in union membership. Initially, research on multinational corporations (MNCs) focused on the benefits of conducting business internationally, frequently supposing convergence towards an American model. But there has been a change in the last few years, with people becoming more conscious of national distinctions and realising that multinational corporations (MNCs) can influence different national settings rather than always causing convergence (Haak-Saheem. Et al/. 20219). Within the larger HRM

field, comparative HRM has made a strong name for itself by transitioning from mostly descriptive to explanatory viewpoints. The emphasis has turned to comprehending "why" and "how" differences and similarities in HRM occur across nations and cultures, with a focus on process analysis throughout time (Brewster et al., 2020). Comparative HRM emerged as a major concern for social scientists and managers alike as the intricacies of managing across borders and addressing HRM challenges in different countries gained significance (Adams, et al., 2017).

## **2.2 The Principle of Convergence and Divergence in HR**

The effect of globalisation on comparative human resource management, or HRM, has drawn attention from researchers who are examining if HRM is susceptible to the same procedures as other subjects. The literature on globalisation has conjectured about the possible decline in the importance of nation-states due to factors such as the emergence of supranational organisations like the EU, international attempts to lower trade barriers, and the growing power of multinational companies (Cooke, Veen & Wood, 2017). Within the framework of HRM, scholars investigate whether nations are growing less significant in their differences because of growing similarities in thought and behaviour. The discussions surrounding convergence and divergence look at how HRM practises, policies and elements are changing and if they are moving in the direction of more similarity or divergence. The contributions to these topics from a theoretical, methodological, and empirical standpoint clarify the intricate dynamics in the field.

There has been a lot of discussion on how multinational corporations (MNCs) influence local HRM practices by bringing in effective strategies from elsewhere. The globalisation thesis' proponents push for the standardisation of management techniques, highlighting shared systems and values despite disparate philosophies and cultural backgrounds (Beer, Boselie & Brewster, 2015). The promotion of a "one best approach" that is frequently in line with American practices by management consultancies, business schools, and professional associations leads to a convergence of discourse. As carriers of diffusion practise, multinational corporations (MNCs) endeavour to impose uniform policies throughout their networks, even affecting the vernacular used by staff members. Yet, studies show that although MNC subsidiaries may, on average, handle their human resources differently, they are not appreciably different from other businesses in the same nation (DeCieri, et al., 2021). Opposing viewpoints argue against convergence for institutional and cultural grounds. According to researchers such

as Haak-Saheem et al., (2017. Brewster et al., (2018), Cooke et al., (2020) and Caligiuri (2020), convergence is improbable because of different institutional systems and cultural underpinnings. Converging and diverging tendencies can also be argued for simultaneously, implying that HRM practises might have both commonalities and differences. There are still concerns about how MNC activities affect regional variations in HRM and how to strike a balance between bringing in new practices and adjusting to local customs (Cooke et al., 2020). An intricate knowledge of how globalisation affects the field of comparative HRM is aided by the investigation of these dynamics.

Globalization's impact on comparative human resource management (HRM) is said to depend on a few important variables, each of which is vital in determining how HRM practises function inside multinational businesses (MNCs):

**Business System or Market Economy:** A key factor in determining an MNC's operations is the type of business system or market economy it works. Depending on the unique economic frameworks of various nations, multinational corporations (MNCs) modify their HRM practices in different ways. For example, the strategy might be different in nations with liberal market economies compared to those with coordinated market economies (Brewster, Mayrhofer & Farndale, 2020).

**Nationality of MNCs:** MNCs' nationalities have a big impact on their HRM procedures. The MNC's approach to HRM and how it integrates or modifies practises in its overseas subsidiaries are shaped by the institutional and cultural framework from which it originated (Beer, et al., 2015). Variations in national settings influence various approaches to human resource management.

**Organisation Type:** Knowing the differences in HRM practises between foreign-owned, domestic-owned, and entirely domestic organisations is essential. Because of things like ownership structure, company culture, and strategic aims, every kind of organisation is probably going to have its approach to HRM (Gooderham et al., 1999).

**Effect of Context:** MNC operations are significantly impacted by the larger contextual variables, which include legal, cultural, and social aspects. MNCs make decisions on their HRM practises based on the external environment, which includes laws, social norms, and cultural expectations (Brewster, Mayrhofer, & Farndale, 2018).

Researchers have stressed the importance of taking all these elements into account to develop a comprehensive understanding of how globalisation affects HRM within MNCs. The complex interactions among these components highlight the intricacy of comparative HRM and the need to take into consideration a few factors while analysing the similarities and differences in HRM practices between countries.

Human resource management (HRM) practice convergence is a complicated and dynamic topic. It is important from a methodological perspective to define convergence and divergence, particularly in cases when research reports finding convergence using single-point analysis. There have been two main types of convergence proposed: directional convergence, where countries share the same trend regardless of their starting point, and final convergence, where units of analysis become increasingly alike with time, signifying a decrease in differences across countries.

Many aspects of HRM in Europe show directional convergence, suggesting that different nations are experiencing similar trends in areas like the use of contingent rewards, sophisticated recruitment, and selection processes, professionalisation of the HRM function, and degree of employee communication (Cooke et al., 2020). The data is less apparent when looking at final convergence, especially when it comes to practises that consistently demonstrate no consistent convergence, such as the size of HRM departments and training and development priorities. This sophisticated viewpoint casts doubt on universalistic theories of globalisation that produce glaring parallels.

Comparative HRM research highlights the significance of social complexity as a differentiation criterion by concentrating on diverse players, institutions, and processes in diverse nations. Individuals or small groups are examples of actors with low social complexity since they might not have as many social ties, whereas collective actors, such as nations or supranational units, have complex internal environments and thus high social complexity. Beyond a few exceptions, there are clear national variations in the definition and use of HRM, casting doubt on the notion of a universal paradigm. Regional differences highlight the intricacy of HRM practises even more. Examples include contingent employment patterns, anti-unionism, and the role of HRM departments. The heterogeneity is a result of the unique national institutional frameworks, which makes the formation of a universal model unlikely. The USA stands out for having more coherently defined best practices in HRM, with a focus on high-performance work systems (Cooke et al., 2020).

### 2.2.1 Principles as Conditions of Successful Organisations

In his book *Principles for Successful Organisations* (Pfeffer, 1998), Jeffrey Pfeffer lists several crucial requirements that lead to an organisation's success. The goals of these principles are to influence organisational practises and design. Together, these principles help create an environment at work where people are valued, collaboration is encouraged, and individual efforts are matched with organisational success. These are the seven guiding principles:

**Workplace Safety:** This principle highlights how crucial it is to give workers job stability. Firms that prioritise job security establish a steady and reliable atmosphere, encouraging allegiance and sustained dedication from their employees (Caligiuri et al., 2020).

**Recruiting and selecting new employees:** Selective hiring is the process of carefully selecting new employees based on their qualifications, abilities, and organisational culture fit. During the hiring process, companies can exercise discernment to select candidates that share the same values and objectives as the organisation.

**Decentralised Decision-Making and Self-Managed Teams:** Pfeffer promotes decentralising decision-making and using self-managed teams as cornerstones of organisational architecture. Providing decision-making authority across the organisation and enabling teams to handle themselves fosters creativity, adaptability, and employee engagement.

**Comparatively High Salary Dependent on Performance of the Organisation:** By tying pay to organisational achievement, one can establish a clear link between the success of the organisation and the efforts of both individuals and the group. This idea motivates staff members to actively participate in the overall operation and prosperity of the business (Caligiuri et al., 2020).

**Comprehensive Training:** Putting a lot of money into long-term training programmes for staff members improves their skills and capacities. This theory backs up the claim that a workforce with proper training is more capable of handling the demands of a fast-paced work environment.

**Reduced Barriers and Status Distinctions:** Removing obstacles and status divides within the company fosters a more welcoming and cooperative atmosphere. This idea promotes equality and teamwork by addressing issues including language, workplace layouts, pay disparities, and clothing codes.

**Wide-ranging Disclosure of Financial and Performance Data:** It is crucial to communicate openly and transparently, especially when it comes to financial and performance data. Since employees are aware of the organisation's performance and objectives, this principle fosters a culture of accountability, trust, and shared responsibility.

Pfeffer makes a case for HRM principles as factors that determine an organisation's success, which is consistent with the Strategic Human Resource Management (SHRM) viewpoint that is especially common in settings similar to the USA. This point of view concentrates on internal management practises and policies, frequently removing external elements from the purview of HRM, such as trade unions and governmental regulations (Caligiuri et al., 2020). This strategy makes sense in contexts when there is a general agreement that outside influences shouldn't have an excessive impact on business.

The contextual paradigm, on the other hand, adopts an idiographic approach to fully comprehend contextual uniqueness and the factors that contribute to it. This perspective in the field of comparative HRM uses inductive research methodologies to explore differences between and within HRM practises in various contexts. In contrast to the SHRM approach, this paradigm views the relationship between HRM and company success as secondary (Beer, Boselie, & Brewster, 2015). The contextual paradigm recognises the application of HRM to societies, governments, and regions, hence expanding its scope beyond individual enterprises. At the organisational level, it emphasises the necessity for evaluation based on results rather than assuming that company objectives and tactics are intrinsically good or bad. Furthermore, it recognises that different interests exist inside organisations and does not require all of its members to endorse organisational strategies in unison (Guest, 2017).

The contextual paradigm, which emphasises external aspects in addition to internal management practises, considers things like national culture, ownership structures, labour market dynamics, the role of the state, and trade union involvement. This expanded breadth, which acknowledges the influence of institutional elements on HRM practises, is in line with the realities encountered by HRM specialists. Empirical research shows how institutional elements, such as the state's participation, influence HRM practices. One example of this is the work of Haak-Saheem and Festing (2016). Widely used in Europe and other regions, such as Australia and New Zealand, the contextual paradigm considers the complex interactions between internal and external influences to provide a comprehensive view of HRM.

### 2.2.2 Cultural and Institutional Factors Shaping HRM

Cultural and institutional variables are the two main explanatory frameworks that explain differences in how Human Resource Management (HRM) is understood and practised across different countries. These frameworks are inclusive classifications that cover a wide range of conflicting and occasionally incoherent theories.

- i. **Cultural Factors:** The variations in HRM practises are mostly attributable to cultural influences. According to Guest, (2017), organisations function as rational, utility-maximizing cultural communities, resulting in culturally contextualised variances in practices. While cultural differences generally follow national borders, there are certain exceptions, such as Belgium and Spain, where laws, languages, and faiths coexist. The cultural approach stresses how culture gives social interactions significance while acknowledging its subjectivity and fluidity. Kwon (2019) highlights the interplay between values at the cultural and individual levels, which contributes to variations in the standards of what is considered desirable and acceptable in different nations. Since human resource management (HRM) entails interactions between persons at various hierarchical levels, these cultural differences will unavoidably show themselves in diverse management practices.
- ii. **Institutional Factors:** The institutional perspective asserts that social institutions have a primary influence on HRM, in contrast to the cultural view. The social structures of a country, such as its labour markets, educational system, and employment laws, are important determinants of HRM practices. The institutional view, which focuses on how ownership patterns—such as the decline in public ownership in European nations—affect human resource management, is not a novel idea in management literature. Governments frequently own large firms in emerging economies, such as the Gulf States (Haak-Saheem, Festing & Darwish, 2017). The peculiar social construction of organisations inside a nation is influenced by a variety of institutions, such as the general and vocational education system, employment legislation, and the dynamics of the labour market. Therefore, HRM should be viewed as a role that is closely related to the unique institutional setup of a nation.

It is evident from both institutional and cultural viewpoints that there is a society formula or set of rules that, although it is possible to defy or disregard, has consequences. Most people

and organisations, aware of the impact and influence of institutional and cultural elements on HRM practises, tend to stick to these societal recipes.

### **2.2.3 Flexibility in Labour Patterns**

The idea of labour pattern flexibility, sometimes referred to as "atypical working," "vulnerable work," or "contingent working," is a major topic of conversation in human resource management (HRM) circles. The concept's wide language reflects the intricacies and variety of shapes this phenomenon takes, adding metaphorical nuances. The Cranet network's research, which compares national organisations throughout Europe, regularly agrees with data from workplaces and national labour market statistics, indicating that most modern societies make considerable use of flexible work schedules (Paauwe & Farndale, 2017).

Different nations have different levels of flexible working and different types of it. In Europe, temporary labour is more common than in the United States. In Denmark, part-time work is highly prevalent, while in Spain, short-term contracts are typical. There is a significant amount of temporary and part-time work in Japan. These differences are consistent with the unique institutional settings of other nations, demonstrating the impact of regional variables on labour trends.

Flexible working practices are seeing a global trend of directional convergence, despite disparate legal, cultural, and labour traditions. This pattern is discernible in almost every nation in Europe, Japan, and Australasia, spanning several industries and organisations of varying magnitudes, and without regard to the ownership structure or provenance. "Atypical" employment arrangements such as annual hour contracts, home-based work, casual, fixed term, and temporary work patterns are growing more common. This move towards flexible work schedules is not without consequences, though. Even with the development of the platform or "gig" economy, which has further upended traditional employment structures, about half of Europe's workforce still has standard employment contracts. In the freelance economy, people break the traditional relationship between employers and employees by working as "self-employed contractors" for computer-based apps. This change has profound impacts on HRM as well as other fields like finance, real estate, taxation (which has an impact on public revenue), and the overall demand for public resources. It also goes beyond the boundaries of the workplace. The global environment of flexible working is characterised by both convergence and variety, which reflects the complex interactions between institutional, legal,



and cultural elements that shape labour patterns in many nations and regions. To adjust to the evolving nature of work, HRM initiatives and guidelines require an intelligent approach.

#### **2.2.4 Variability in the HRM Function's Role Across Nations**

Significant differences exist in the role of the Human Resource Management (HRM) function between nations, reflecting the various cultural, institutional, and economic environments we have already covered. Achieving a persistent competitive advantage can be facilitated by HRM because of the inherent complexity of human resources as well as the distinctive knowledge and skills they offer to organisations (Haak-Saheem et al., 2017). An analysis of HRM's function illuminates its impact on corporate decision-making, relationships with decision-makers within the company, line management's engagement, and the frequency of HRM outsourcing. There is wide variation in the impact of the HRM function on business decision-making throughout the world. HRM plays a variety of roles in influencing strategic choices as businesses contend with various institutional structures, regulatory frameworks, and cultural norms. The degree of participation of HRM specialists in decision-making procedures is indicative of the importance that organisations place on human capital and the understanding that HRM is a strategic partner (Wilkinson, A., & Wood, 2017). It is impossible to overestimate the importance of line management's function in conjunction with HRM.

HRM frequently works with line managers, who oversee day-to-day operations and employee relations, to execute policies, support professional growth, and handle labour issues. However, organisational culture, the degree of HRM integration into broader business strategy, and contextual factors all influence the extent of engagement between HRM and line management (Delery & Roumpi, 2017). HRM function outsourcing introduces still another level of unpredictability. Cost concerns, organisational scale, and the availability of specialised external providers are some of the factors that influence the decision to outsource HRM functions. While some nations may favour an internally concentrated HRM approach, others may show a tendency towards outsourcing HRM tasks, seeing it as a strategic move to improve efficiency. Therefore, the HRM function's role dynamically changes between nations, reflecting the complex interactions between organisational, legal, and cultural issues. Acknowledging the strategic importance of human resources, companies must modify their HRM plans to properly address the unique contextual differences seen in every nation. By utilising the special qualities of human capital in a variety of international contexts, this flexibility guarantees that HRM catalyzes organisational success.

### **2.3 Cross-Country Variations in HRM Communication Practices**

There are cross-national differences in HRM communication practises, which reflect different historical and cultural contexts. The HRM model that has dominated the area and is frequently linked to a move away from collective or union-based communication methods is the emphasis on individual communication that is placed in the US (Brewster et al., 2020). According to Cooke et al. (2017), European nations, especially those in the Nordic area, place a higher value on collective communication and highlight the role that trade unions and works councils play in promoting efficient communication inside businesses.

Even with the widespread use of the American HRM model, many nations continue to have strong employee communication networks that are frequently backed by legislative frameworks. These platforms enhance trade unions rather than replace them, offering a variety of avenues for communication (Brewster et al., 2020). In contrast to predictions of a decrease in group communication, there has been a general rise in many types of communication, made possible by technological innovations like word processors and mail merge systems (Brewster et al., 2020).

Globally, there is a great deal of variance in the prevalence of trade union membership. In certain countries, like the Nordic countries, a major proportion of the workforce, including managers, are union members. On the other hand, union membership is almost non-existent in some nations and lower in others. Personalised communication made possible by technological improvements has led to a noticeable increase in interpersonal interaction with employees notwithstanding these disparities (Haak-Saheem & Festing, 2016). When looking at upward communication, the most common routes are trade unions or works councils and direct line management, each of which has procedures and designs that are unique to the nation (Brewster et al., 2018). To put it simply, sustainable employee engagement and organisational success depend on a grasp of and ability to modify HRM communication practises to the cultural and organisational circumstances of each country.

### **2.4 Cross-Country Variations in HRM Joint Regulation**

Joint regulation is a crucial component of Comparative Human Resource Management International Comparative Human Resource management (I/CHRM). It includes cooperative rule-making procedures that involve employers, trade unions, and other labour representatives. A few new structures have been developed to help manage the complexities of work,

individuals, and employment relationships as a result of the workforce's globalisation, growing demands for procedural control, political accountability, and sustainable management, among other factors (Brewster et al., 2018)

The regulation of work and employment plays a significant role in the field of International Comparative HRM balancing social issues like the rights of employees, equality of opportunity, and equitable treatment with financial considerations like efficiency and competitiveness. Work regulation is significant because of its theoretical complexity and empirical scope, which influence and normalise employment dynamics and work practises at both local and global levels (Cooke et al., 2020).

The word "regulation" itself has many different connotations and applications in various fields of study (Caligiuri et al., 2020). It includes systems that reflect the changing patterns of governance in contemporary democracies, encouraging, enforcing, and monitoring modifications in behaviour and procedures to guarantee adherence to authority. The idea, which has its roots in the Public Interest Theory, which has historically been widely used in welfare economics, supports business regulation by the government to carry out public administrative policing to enforce laws that are outlined in the public interest (Wilkinson & Wood, 2017).

#### **2.4.1 Regulation of Work and Employment**

A comprehensive definition of labour and employment regulation is the synthesis of procedures and standards resulting from complex interactions between different actors and institutions. In the larger framework of creating and providing products and services, these regulatory systems are crucial in determining the terms of employment and work (Beer et al., 2015). Differences in its subject breadth first shaped the development of theoretical frameworks and research paradigms about the regulation of work and employment.

#### **2.5 Conclusion**

In conclusion, it is impossible to overestimate the importance of institutional and cultural perspectives in the field of human resource management (HRM), especially when considering HRM within the context of a comparative approach. This method uses theories derived from institutional and cultural perspectives to identify national differences in HRM practices. To understand the complexities of HRM in various contexts, it is imperative to acknowledge the significance of both cultural and institutional factors. The knowledge that companies handle their workforce differently in every nation is the basis of comparative human resource

management. The unique characteristics of HRM practise in the USA, Japan, the UAE, and other countries highlight how crucial it is to recognise and manage these variations. Even while there are some global trends and discourses, the continuation of these differences indicates that a universally applicable approach to HRM is unlikely to be successful.

To manage people effectively in any given nation, one must have a sophisticated awareness of its distinct institutional and cultural background. It is likely to be difficult and ineffective to adopt HRM practices from one country to another, particularly when the settings are very different. Consequently, it is essential to adopt a customised strategy that considers the institutional underpinnings and cultural quirks of a given nation. HR practitioners must become well-versed in the nuances of the institutional framework and culture of their nation. This covers a range of elements, including the distribution of wealth, the labour market, educational institutions, and legal frameworks and their enforcement. People can decide how best to improve HRM in the situation that matters to them by understanding these components as well as the common HRM practices. Gaining a thorough grasp of a nation's institutional and cultural environment is the first step towards enhancing HRM. Organisations and HR professionals can create strategies that are not only effective but also sound in terms of culture and institutional alignment by coordinating HRM practices with these contextual elements.

## 2.6 Illustrative and Practice Questions

### MULTIPLE CHOICE QUESTIONS (MCQ)

1. In the framework of comparative HR management, which of the following best illustrates a country difference?
    - a. Communication
    - b. Sender
    - c. Receiver
    - d. Message
  2. Which of the following best explains comparative human resource management (HRM)?
    - a. explains the better way to understand cultural differences.
    - b. explains the similar way we practice HRM.
    - c. explores the differences between nations in the way they manage their HRM.
    - d. explains the way MNCs manage a workforce.
  3. Which aspect of the universalist approach to strategic human resource management has been ignored?
    - a. Planning effect
    - b. Communication effect
    - c. Short-term effect
    - d. Long-term effect
  4. Which of the following Pfeffer (1998) principles is not regarded as a prerequisite for an organisation's success?
    - a. employment Security
    - b. management by Objectives
    - c. extensive training
    - d. selective hiring of new personnel
  5. Comparative HRM matters because in each country, organisations manage their people .....
- a. the same way
  - b. directly
  - c. differently
  - d. at the same stage

## **MCQ - SOLUTIONS**

1. A    2. C    3. B    4. B    5. C

## **THEORY QUESTIONS**

1. Describe comparative human resource management (HRM) in brief.
2. In the context of human resources (HR), elaborate on the concepts of convergence and divergence.
3. Describe clearly the function of communication in the field of comparative management.
4. Explain the idea of collaborative regulation in the context of comparative management.
5. Clarify what is meant by the regulation of labour and employment in the context of HR comparative management.

## **2.7 Case Study - Solving the Labour Dilemma in a Joint Venture in Japan**

John, the founder, president, and CEO of Johnscos Electronics, is attempting to expand into Tokyo through a joint venture with a significant Japanese automaker, but he is having difficulty finding enough workers. At first, it looked like a good idea to build a plant in Japan that would fabricate and assemble computer components for new cars. However unanticipated hurdles have surfaced, with problems ranging from the high expense of managing expatriates to staffing critical roles.

The application of equal employment opportunity rules to global business adds to the complexity of John's predicament, especially about the proportion of women and minorities in the workforce. John's dedication to striking a balance between cost considerations, local customs in Tokyo, and compliance with U.S. legislation makes the hiring process even more difficult. Japan's stringent laws against foreign labour conflict with his hope of finding cheap labour in Asia, especially from women ready to accept labour-intensive production tasks.

Japan's ageing labour population creates additional complications, making it difficult to staff the Tokyo operation due to seniority processes and a decrease in young, semiskilled workers. The effects of these demographic variables on the company's retirement plans can give rise to issues. Further issues arise from the unionised character of John's American business, as the union steward asserts expectations for promotional prospects and coverage for citizens of the host country in Japan under the same union contract. Despite the signed contract and the possibility of working with a strong automaker, John faces the difficult issue of overcoming these complex obstacles to effectively start and maintain the Tokyo operation while abiding by local laws and customs.

### **DISCUSSION QUESTIONS**

Considering variables including adherence to equal employment opportunity legislation, cultural quirks, and restrictions on foreign labour, what strategic measures would you suggest John take to overcome the labour shortage issues he encountered when opening the new facility in Tokyo?

In light of labour concerns, how can John strategically engage with and gain support from both the union and his joint venture partner? How should he effectively communicate and negotiate to seek assistance in resolving personnel issues for the Tokyo facility?

Considering the cross-cultural nature of the new endeavour, what forms of cultural training would be necessary for the U.S. and Japanese stakeholders to guarantee the operation's success? How can one develop cultural competence and awareness to negotiate the challenges of doing business internationally?

Considering the labour challenges of today, what other courses of action or choices might John have made to alleviate or proactively address some of the current problems? What tactical changes or factors might have made the Tokyo operation's installation go more smoothly?



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## **CHAPTER THREE**

### **INTEGRATED GLOBAL HRM SCHOOL OF THOUGHTS**

#### **Learning Objectives**

At the end of this chapter, students should be able to;

- i. Recognise the context-driven nature of Particularistic Theory and the wide applicability of Universalistic Theory in management.
- ii. Consider the phases and roles described by the Management Process School and value the Empirical School's data-driven approach.
- iii. Analyse the Human Behaviour School's psychological insights and apply the Social System School's understanding of organisations as social systems.
- iv. Describe how Decision Theory works for making decisions and evaluate how the Mathematical School uses mathematical models.
- v. Explain the System Management School's interconnected perspective on organisations and gain insight into contingency-based management techniques.
- vi. Outline the main ideas of the Bureaucracy School and how they affect governance and organisational structure.

#### **3.0 Introduction**

Many professionals with varying backgrounds have contributed diverse management techniques, generally known as schools of management thought. Experts from a variety of fields have proposed alternative methods for studying the worldwide HRM School of Thought. All these ideas are essentially distinct management philosophies or guidelines that help HR managers efficiently and accomplish their organisational objectives. This chapter focuses on the Global HR Management School of Thought.

#### **3.1 Major Schools of Management Thoughts**

- i. The Universality Theory of Management
- ii. The Particularistic Theory of Management
- iii. The Management Process School
- iv. The Empirical School
- v. The Human Behaviour School

- vi. The Social System School
- vii. The Decision Theory School
- viii. The Mathematical School
- ix. The System Management School
- x. The Contingency School
- xi. The Bureaucracy School

### **3.2 The Universality Theory of Management – Henri Fayol (1856-1915)**

Henri Fayol (1856–1915) put out the Universality Theory of Management, which holds that management is a universal process with essential components. These roles were defined by Fayol as organising, commanding, coordinating, controlling, and planning. Fayol claims that the idea of management's universality suggests that these ideas apply to all kinds of organisations and organisational levels. According to this notion of universality, managers from a variety of organisations can use the same techniques and concepts in a range of managerial roles.

The idea of universality emphasises how management abilities apply to different nations and sectors of the economy and transcend organisational boundaries (Brewster, Mayrhofer & Farndale, 2018). Fayol noted that management is universal in its application and suitable for all kinds of organisations. This implies that people with managerial experience in one industry, like an industrial manager, can effectively lead organisations in completely different industries, like a nonprofit. Planning, organising, leading, controlling, and implementing are the fundamental managerial tasks that all businesses must perform, according to the idea, even if certain industries may have unique operating conditions and special expertise requirements. The Universality Theory admits that managerial positions might differ depending on the kind of organisation, each needing unique expertise and functioning in certain settings. On the other hand, it highlights how managerial roles in all firms are fundamentally similar, allowing people to apply general management ideas regardless of the organisational environment.

### **3.3 The Particularistic Theory of Management - Frederic Winslow Taylor (1856 - 1915)**

F.W. Taylor introduced the Particularistic Theory of Management in 1856. According to the theory, there will always be variances in management and organisation between countries. The rationale is that organisational structure and management styles represent national expectations

and preferences. According to this idea, there might be significant differences in organisations and management across national boundaries, and various national contexts require different explanations.

### **3.4 The Management Process School – Henry Fayol (1841-1925)**

This is also known as the Classicist/Traditional/Universalistic Operational School of Management. This school's founder is regarded as Henry Fayol. This school saw management as a method of accomplishing goals through and with members of organisational groups. Planning, organising, staffing, directing, and controlling are the five functions that make up the management process, according to this school. The objective of this analysis is to determine the fundamental concepts and processes involved in establishing a conceptual framework for each of these functions. The primary characteristics of this school are:

- a. Principles apply universally;
- b. Managers perform the same functions in all types of organisations; and
- c. Principles offer helpful management theory.

#### **Criticism:**

Although this method emphasises the universality of principles, management concepts are untestable. This strategy was unable to have a major impact in the field of management. Being universal may not always work out since organisations must adapt to changing conditions.

### **3.5 The Empirical School – Earnest Dale (1950)**

The method, which places a strong emphasis on management case studies, is also known as the Management by Customs School/Case Study Approach. Earnest Dale and a team of scholars from Harvard Business School and The Management Associations of several nations have made significant contributions to this technique. It must be noted that using the manager's experience to solve difficulties could improve the quality of solutions (Sparrow, Brewster & Chung, 2016). This school's fundamental tenet is that the environment of business will influence the growth of managerial abilities (Carnall, 2017). This institution offers top-notch management instruction. The managers can hone their analytical and problem-solving skills at this school.

### **Assumptions:**

The following presumptions underpin this strategy:

- i. Management is the study of experience, and experience can impart certain lessons to the incoming manager.
- ii. This theoretical approach should have a practical foundation.
- iii. Future managers can benefit from using all management case studies in their training.
- iv. A manager might learn valuable lessons from their decision-making process success or failure if they find themselves in a similar position later on.

### **Criticisms:**

The following are the reasons why this strategy has been criticised:

- i. Its emphasis on the past, which is meant to be its primary flaw, has drawn criticism.
- ii. The situations of the past and the present are inevitably going to be very different from one another.
- iii. The theoretical component of management has been entirely disregarded in this approach.
- iv. Experience-based learning requires a lot of time.
- v. Rather than adhering to procedures, rules, and regulations, management is extremely dynamic.

### **3.6 The Human Behaviour School – Elton Mayo (1880- 1949)**

The founder of this school of thought is Elton Mayo, the director of the "Hawthorne Studies." According to the human behaviour school, management actions should centre around how people behave. It does not see management as the exclusive domain of technology. It was determined that the relationship between morale and productivity had been oversimplified by human relations specialists based on its goals and scientific studies of individual behaviour and motivation (Osaze, 2003). A greater emphasis was placed on the application of broad social psychology and sociological methods and findings to the study of organisational behaviour by the behaviour science approach to management. The movement for behaviour science is thought to be an evolution of the human relations movement. It addressed a far wider range of interpersonal roles and relationship topics.

The behaviour approach to management, which places a strong focus on interpersonal relationships, unofficial groups, communication, employee motivation, and leadership styles, has brought attention to a variety of socio-psychological phenomena, including group dynamics, organisational conflict, organisational behaviour dynamics, change, and organisational development strategies. For this reason, this method is often referred to as the "Behaviour Science Approach" or the "Human Relations Approach." This method, often known as the "Leadership method," sees the manager as a "Leader" and considers all "Lead" actions to be managerial.

The key components of the behavioural science approach are as follows:

- i. **Employee Motivation:** This involves identifying the elements that result in strong morale and productivity. Organising as a social structure: It covers research on roles, status symbols, and the purposes of unofficial groupings (Miao et al, 2020; Omale et al., 2022).
- ii. **Leadership:** This institution also emphasises the need for individual leadership in management. This school's curriculum covers group dynamics and interpersonal connections, human relations, and how managers should understand their ramifications. It also examines managers as leaders and how they should lead these subjects. It entails analysing managerial behaviour, both successful and poor (Liberty et al., 2023).
- iii. **Communication:** This involves examining the elements that lead to mutual understanding among members of an organisation to determine how best to set up and employ channels of contract within that organisation.
- iv. **Employee Development:** This pertains to the ongoing enhancement of managerial and staff competencies (Al-Tit et al., 2022). Abraham Maslow developed the need hierarchy in 1940, and other influential management theories included those of Frederick Herzberg, Douglas McGregor, and Kemis Likert. This era's research has sufficiently demonstrated that an organisation's ability to succeed or fail is mostly dependent on its people.

### 3.7 The Social System School – Talcott Parsons (1951)

An organisation is viewed in this way as a social network made up of several social groups. This method's creator was Talcott Parson (1951). This school of thought's primary contribution is its emphasis on the role that culture plays in how an organisation operates. To accomplish organisational goals, this strategy placed a strong emphasis on collaboration and teamwork

among the group members. Thus, management ought to try to establish and preserve concord between the group's objectives and the organisation's goals.

### **3.8 The Decision Theory School – Herbert Simon (1947)**

This decision theory school was founded by Herbert A. Simon and James March in 1947. The emphasis was on making logical decisions by choosing a plan of action or policy from among available options. This school of thought takes a hands-on approach to examining the decision-making process, as well as the individuals or organisational groupings who make the decisions. The social, psychological, and environmental components of decision-making and decision-makers are also attempted to be covered by this theory.

### **3.9 Mathematical/Quantitative School of Management – Joseph Williamson (1701)**

This is also referred to as quantitative school. The system of mathematical models and logical procedures that it sees management as is its perspective. The developers of it were Churchman, Williamson, and others. Its main goal was to identify the appropriate solutions for management issues. To represent managerial issues, it used mathematical symbols. It gave management a degree of precision and assisted in systematising management thought.

#### **Features:**

This approach's primary features are as follows:

- i. Management is a sequence of decisions.
- ii. Quantitating the different problem variables allows for the development of mathematical models.
- iii. It is possible to characterise managerial issues using mathematical symbols.
- iv. The purpose of organisations is to attain quantifiable and defined economic objectives.

### **3.10 The System Management School –Ludwig Von Bertalanffy (1950)**

The underlying premise of this method is the generalisation that an organisation is a system with interdependent and connected parts. The relationships and interdependencies between the different subsystems are what primarily determine a system's effectiveness (Collings, Scullion & Vaiman, 2015). The organisation reacts to changes in its surroundings. It offers a solid conceptual foundation for insightful organisation analysis and comprehension. In 1950,



Ludwig Von Bertalanffy developed it. Because it is more grounded than other approaches, this one is superior.

### **Features**

The following features that define this strategy are present:

- i. A system made up of multiple subsystems is called an organisation.
- ii. There is a mutual relationship between every subsystem.
- iii. Rather than studying each subsystem separately, it is better to examine them in connection to one another.
- iv. The organisation reacts to changes in its surroundings.

### **3.11 Contingency/Situational School – F. E. Fieldler (1960)**

This is a novel management strategy developed by Fieldler in 1960. This approach's fundamental tenet is that organisations must respond differently to various circumstances. Therefore, managers should create flexible strategies, instruments, and plans of action based on the circumstances that call for them. Managers need to recognise that there is no one ideal way to manage.

#### **Features:**

- i. The use and efficacy of any approach are dependent upon the circumstances since management is wholly situational.
- ii. Policies and processes ought to consider the environment.
- iii. Managers ought to be aware that there isn't one ideal approach to management. They shouldn't think of management theories and methods as ubiquitous.

### **3.12 Bureaucracy School of Management – Max weber (1884 – 1920)**

Max Webber introduced this strategy in 1884. He was a German sociologist who worked with Taylor and Fayol at the same time. He underlined that the essential concern is the acceptance and use of authority. To provide a solution, he has divided power hierarchies into three groups. They are bureaucratic, traditional, and endearing. The remarkable intrinsic attributes of a charismatic leader are what make them expected to be authoritative. Traditional authority is the authority that is inherited or passed down through generations. Bureaucratic authority is the

authority that stems from a person's position inside an organisation. This authority shall possess a well-defined set of guidelines, protocols, and functions.

These are some of the features of this model:

- i. The distinction between a subordinate and a superior is evident.
- ii. Functional specialisation and competency are the basis for the division of labour.
- iii. There is an obvious separation of private and public affairs.
- iv. A set of policies, guidelines, and protocols exists.
- v. Positions are arranged in a hierarchy according to legal authority.

### **3.13 Conclusion**

It is evident from the previous explanation of the several schools of management philosophy that some of the schools intersect. The field of management is no longer limited to managers and business owners. Diverse fields of study have aided in the development of managerial philosophy. These varied contributions have led to the growth of management as a subject. Certain approaches merely consider a small portion of the field of management and view managerial issues through a distorted lens. This is because educators from specific schools often emphasise ideas that originated in their parents' fields. They now see things more haphazardly and consider a section or pieces of something to be the total because of its exclusivity. They make little effort to recognise that management is an interdisciplinary field that substantially draws upon the body of knowledge created in other fields. Despite this, management has become recognised as a distinct field of study. The advocates of many schools have tried to approach managerial challenges from a single, exclusive perspective, but this is not possible.

### 3.14 Illustrative and Practice Questions

#### MULTIPLE CHOICE QUESTIONS (MCQ)

1. Which school posits that management shares common principles applicable to all forms of organisation?
  - a. The Decision Theory School
  - b. The Contingency School
  - c. The Universalistic Theory of Management
  - d. The Social System Schools
2. The school that considered management as a process of getting things done through and with people operating in organisational groups is referred to as \_\_\_\_\_
  - a. The Decision Theory School
  - b. The Social System School
  - c. The Human Relation School
  - d. The Management Process School
3. The Empirical School is also known as .....
  - a. management by custom school
  - b. management by objectives school
  - c. management by exception school
  - d. Management by delegation school
4. One of the major criticisms of Empirical School is .....
  - a. given much importance to the present.
  - b. given much importance to the past.
  - c. given much information and explanation.
  - d. it is too scientific and empirical.
5. The Father of Social System School is .....
  - a. Douglas Mcgregor
  - b. Max Weber
  - c. Chest Barnard
  - d. Frederic W.Taylor

#### MCQ – SOLUTIONS

1. C 2. D 3. A 4. B 5. C

## **THEORY QUESTIONS**

1. Enumerate and describe the five main schools of management theory.
2. Describe the important contributions made to the field of management by the Human Behaviour School.
3. Give a thorough explanation of the management theory known as universalistic.
4. Explain and elaborate on the contributions that the Management Process School has made.

### **3.15 Case Study**

I have been tasked with developing a work measurement plan for maintenance staff as an industrial engineer at NNPC, with the option to include an incentive plan down the road. Remember that maintenance work is very different from production work. Rebuilding a machine or fixing a problem could only require swapping out easily replaceable parts, or it might require a few jobs necessitating coordination between many trades. Further adding to the uncertainty not usually found in ordinary production circumstances is the possibility that the entire extent of the necessary work won't become apparent until the machine has been completely disassembled.

#### **Question:**

How would you approach creating the strategy that your boss has requested?

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**CHAPTER FOUR**  
**TAXONOMY OF GLOBAL SKILLS NEEDED FOR PRIVATE SECTOR**  
**MANAGERS**

**Learning Objectives**

At the end of this chapter, the student should be able to:

- i. Explain behavioural skills and provide examples.
- ii. Describe and illustrate behavioural skills
- iii. Discuss technical skills and provide instances
- iv. Describe and provide instances of leadership skills.

**4.0 Introduction**

The following section discusses management skills, which are seen to be crucial for guiding an organisation towards success. It is crucial to remember that in the private sector, a manager's abilities should be focused on attaining success in terms of turning a profit and managing the company to satisfy the demands of the owners.

Any skill used in the private sector is geared towards accomplishing two goals: creating high-quality products while also increasing the company's profit margin (Mumford & Gold, 2021). The current generation has embraced several talents to achieve success and improve the interaction between the organisation and its employees to meet the needs of all stakeholders. Globalisation has caused a current shift in society, making employees more demanding and knowledgeable at work. As a result, managers now need to come up with ways to deal with their subordinates.

**1. Technical competence**

Since it is thought that management functions are more of a practical and technical character to take the organisation forward, technical skills are unquestionably a significant part of the private sector, which goes hand in hand with the business activity of the organisation. It needs functional knowledge and expertise to apply a body of professional practice because management is a practical discipline that seeks to have an impact on the real world. To help practitioners implement best practices in organising, planning, and controlling, we are



discussing here knowledge of product technology, marketing strategies, engineering, accounting, and relevant legislation (Pedler et al. 2001). We also include knowledge of basic management principles and theories.

One of the distinctive features of management is that, while technical knowledge is necessary at every level, the emphasis on social, cognitive, and political abilities becomes increasingly important as one moves up the management hierarchy, decreasing the direct application of techniques. The fact that managers frequently advance to positions of great influence due to their proficiency in technical areas is a significant issue for developers (Pye, 2022).

Despite being highly skilled professionals, they might not have had many opportunities to advance in their careers to hone their interpersonal skills or obtain a comprehensive understanding of the company. They frequently discover that, if placed in a generalist position, their prior experience has not sufficiently equipped them for the strategic and political abilities necessary for performance ((Mumford & Gold, 2021). These managers typically discover that their technical expertise is not very useful, but they are also unsure of how to act. This role ambiguity can lead to behaviours that could be detrimental to the organisation in addition to causing a great deal of anxiety. It is easy for them to focus on their areas of expertise and act as senior technicians with a limited perspective on problem-solving, intervening in matters best left to people at lower levels.

For directors of medium-sized private enterprises, this is frequently the case as they are rarely trained for their positions. When you are employed to undertake a professional-technical task and your job now demands a strategic understanding and the use of social-political abilities to balance the parts in the service of a larger total, that is when management wisdom frequently begins (Stewart,2021). It's difficult to become self-aware. Because we think facts will come to light that could undermine our perception of ourselves, we frequently oppose self-knowledge. We resist personal development because we are afraid of realising, we are not who we want to be.

## **2. Interpersonal and Social Skills**

Although it is difficult to pinpoint these abilities, they mostly entail exercising caution when making decisions and collaborating with others. Managers utilise this technique to help their staff members or subordinates realise and adhere to their parting agreements (Raelin, 2017). It is often considered a manipulative strategy to use this process of interpersonal and social skills

to convince your team to accomplish what you want. They suggest empathy for individuals and circumstances as well as adeptness at motivating others to work towards a common objective.

## **4.1 Global Skills Requirements for Managers in Private Sector**

### **4.1.1 Behavioural Skills**

These are task-related and interpersonal self-control behaviours that are linked to effective performance in learning environments and professional contexts. The goal of behavioural skills is to support people in their success by encouraging productive relationships, stress reduction, and perseverance (Robbins & Judge, 2017). The following are examples of behavioural skills:

- i. **Courage:** The capacity to confront suffering or resistance without displaying fear. Many people think that courage is something you may just be born with. While some people are naturally braver than others, most of us must develop our courage over time. We can all display courage in different ways. First, taking the initiative requires bravery. Additionally, taking charge entails danger. When an employee takes the initiative, works on a project beyond the purview of their job description, or suggests a new course of action, suggestion, or intervention, they are taking a risk on something that might not work. Letting rid of the impulse to control results is another way that courage manifests. For many, this one is difficult. Letting go in leadership is putting your trust in your team's collective wisdom (Duckworth, 2016).
- ii. **Communication:** The goal of communication is to create a shared understanding between people through the exchange of ideas, sentiments, and information, which is a complex process. Beyond only exchanging words, communication also includes interpreting messages, responding to nonverbal signs, and actively listening. To close the comprehension gap, two or more individuals participate in a reciprocal interaction that involves encoding and decoding messages. Transmitting information is only one aspect of effective communication; other elements include feedback, clarity, and empathy. It is essential to both personal and professional relationships because it promotes cooperation, settles disputes, and creates the groundwork for cooperation and shared purpose (Boxall, Purcell & Wright, 2017).

### **Essential Communication Skills**

1. Writing communication: Use written language to communicate concepts and facts.

2. Oral communication: Use spoken language to communicate concepts and facts.
3. Visual and nonverbal forms of communication
4. Listening
5. Communicating in context

#### 4.1.2 Technical skills

These are the specific knowledge and abilities needed to carry out activities and make use of instruments and programs in practical settings (Smith, 2018). A wide range of technical abilities are necessary in almost every industry and field, including IT, business administration, healthcare, and education. These abilities are necessary for managers in the private sector to function well. Regardless of the industry you or your staff are in, having a basic understanding of certain technical abilities will be necessary to execute daily (Raelin, 2019). We'll talk about some examples of technical skills below.

- i. Employee Acquisition: Self-management, functional, and specialised knowledge are the three categories of skills acquisition. Functional skills are aptitudes or abilities that are innate and acquired via education and experience (Yang & Chen, 2019). Examples include figuring out taxes, fixing machinery, and making decisions.
- ii. Employee Engagement Plan: Investing in your staff members is a smart business move (**Falola, Amoo, Ufua, 2021**). After all, motivated workers take great pride in their work, are concerned about the accomplishments of their teams, and are eager to help a business expand. Stewart, (2021) reports that engaged workers are more efficient, goal-focused, able to overcome challenges and provide excellent work. Surprisingly, though, just 40% of businesses have a programme for employee engagement.
- iii. Learning and Development: One of the fundamental facets of HRM is learning and development. According to Pye, (2022), learning and development is a systematic process that improves an employee's competency, knowledge, and abilities in the workplace. This leads to improved performance. Learning is the process of gaining new information, abilities, and attitudes, whereas development is the process of expanding and improving one's knowledge through personal development objectives (**Falola, 2023**). Learning and development aim to improve the conduct of people or groups by encouraging the cultivation of positive attitudes or the exchange of information and insights that improve performance.

- iv. **Compensation Management and Rewards:** Compensation management refers to allocating costs that a business incurs to compensate and recognise personnel for their contributions (Osibanjo et al., 2014). Paying an employee directly, or by direct remuneration, includes paying them hourly, overtime, salary, and bonuses (Ogueyungbo et al., 2022). One component of compensation is reward, which is a mechanism that aids in reinforcing behaviour. To put it simply, a reward is when an employee receives money or no money in exchange for greater performance. To function well, managers require certain abilities.
- v. **Diversity, Equity, and Inclusion:** This phrase refers to laws and initiatives that support the involvement and representation of various groups of people. People of all ages, races, ethnicities, abilities, disabilities, genders, faiths, and sexual orientations are all included in the concepts of diversity, equity, and inclusion.
- vi. **Workforce Planning:** This planning procedure guarantees that an organisation always has the ideal staff size on hand, together with the most recent training and expertise as needed.

### **The Main Objectives of Workforce Planning**

- i. **Aligning strategically:** Ensure that the organisation's human resources are in line with its overarching business objectives.
- ii. **Predicting:** Project future labour requirements in light of industry trends, market dynamics, and organisational growth.
- iii. **Talent Acquisition:** Find and develop the best talent with the required training, experience, and competencies.
- iv. **Talent Gap Evaluation:** To find any skill gaps in the current workforce, conduct assessments.
- v. **Proactive Reaction:** React proactively to external environment changes, including market trends, demographic shifts, and technology improvements.
- vi. **Functional Effectiveness:** Maximise human resources to improve the efficacy and efficiency of operations.
- vii. **Agility:** Become more agile as an organisation by adjusting personnel to changing business requirements.
- viii. **Long-Term Viability:** Strategic workforce planning helps to ensure the organisation's long-term viability and success.

- ix. **Transitional Management:** To guarantee continuity and readiness for upcoming leadership requirements, develop plans for leadership transition.
- x. **Risk Reduction:** Determine and reduce the risks related to skill gaps, labour shortages, and shifting business needs.

### 4.1.3 Leadership Skills

The abilities that people in positions of power need to lead and accomplish tasks, encourage projects, forge a feeling of unity among a team, and empower others are known as leadership skills. Excellent communication, adaptability, persuasion, and influence, having a clear vision, invention and creativity, effective decisiveness, and the ability to make plans are the seven essential qualities of a leader (Raelin, 2017). Here are some examples of leadership abilities:

- i. **Define Philosophy:** Philosophers analyse moral principles and their logical justifications using critical thinking. In practical, scientific, and evaluative terms, they aid people in making sense of the world around them. Studying philosophy improves communicative, analytical, and critical thinking abilities.
- ii. **Team Building:** The success of your academic and professional endeavours depends on these seven teamwork skills:
  - a. Communication. efficient cooperation is based on efficient communication.
  - b. Organisation of time;
  - c. Solving problems;
  - d. Critical thinking;
  - e. Cooperation;
  - f. Leadership;
  - g. Human relations
- iii. **Seeing Casting** is the process of presenting a group of individuals with an engaging and distinct future vision (Stewart, 2021). To encourage and inspire them to strive towards a common objective is the aim. The leadership vision highlights the efforts that support long-term growth and provides stakeholders with an understanding of the company's plan. Supporting an organisation's overarching objective is a robust leadership vision.
- iv. **Performance Management:** Effective performance management techniques include relationship-building, leadership, and active listening techniques. Understanding their subordinates is a necessary skill for a manager (Garrant, 2020).

This entails paying attention to them, assessing their advantages and disadvantages, and determining where they need to improve most.

- v. **Assessment of Results:** Assessment is a vital set of soft skills that allows you to:
  - a. judge the veracity of written and spoken statements.
  - b. Assess the coherence and logic of arguments;
  - c. methodically approach value according to norms
  - d. Use sound judgement.
- vi. **Harnessing Resources:** The following are some crucial abilities to list on your CV if you wish to work in human resources:
  - a. Effective Communication
  - b. Capability to make decisions
  - c. Skills for training and development
  - d. Empathy abilities
  - e. Funding abilities
  - f. Organising abilities
  - g. Abilities in business management
  - h. The ability to lead
- vii. **Promoting a Credible Culture and Legacy:** This entails the following:
  - a. Currency: The accuracy and timeliness of the information.
  - b. Relevance: The significance of the data for your requirements.
  - c. Authority: The knowledge's source
  - d. Accuracy: The information's veracity and accuracy

## 4.2 Conclusion

Effective management plays a crucial role in propelling a business towards prosperity. Any competency a manager in the private sector chooses to use should be focused on maximising profits. The skill used is designed to accomplish two goals: generating quality and increasing the company's profit margin simultaneously.

### 4.3 Illustrative and Practice Questions

#### MULTIPLE CHOICE QUESTIONS (MCQ)

1. Behavioural skills refer to abilities that aid in:
  - a. enhancing managerial communication
  - b. individual success through effective interactions
  - c. fostering positive relations with the workforce
  - d. building team spirit
2. Technical skills entail:
  - a. a segment of an employee's acquisition skills
  - b. assessing the behaviour of the workforce
  - c. facilitating success in a managerial role
  - d. specialised knowledge and skills
3. How would you define leadership skills?
  - a. Courage skill
  - b. Behavioural skill
  - c. Technical skills
  - d. Influential roles skills
4. Which of the following skills is not considered essential for a career in HR?
  - a. Communication skills
  - b. Empathic skills
  - c. Business management skills
  - d. Management by objective skills
5. Vision casting involves communicating:
  - a. a clear and compelling vision of the future to a group of people
  - b. a corporate mission to the management director
  - c. the corporate objectives of the management
  - d. the mission statement to family and friends

#### MCQ – SOLUTIONS

1. B    2. D    3. D    4. D    5. A

## **THEORY QUESTIONS**

1. Define Behavioural Skills for an HR Manager in a contemporary organisation.
2. Elaborate on the Technical Skills required for an HR manager in the private sector, providing detailed insights.
3. Discuss the importance of Communication Skills for an HR manager, illustrating your points with relevant examples.
4. Outline the strategies you would employ as an HR manager in the private sector to build an effective team.
5. Clarify the concept of vision casting to your staff as an HR Manager in the private sector, detailing its significance and impact on organisational goals.



#### **4.4 Case Study - We Merged...Now What?**

A recent corporate event saw the successful completion of a merger between Runners Paradise, a renowned manufacturer and designer of running equipment, and ActiveLeak, a smaller apparel design company. The excellent design team at ActiveLeak and its notable brand recognition—especially in the field of MP3-integrated running shorts—were the driving forces for the strategic decision to buy the company. Runners Paradise, which employs thirty-five people, merged with ActiveLeak, which employs ten people. In the past, the owner of ActiveLeak was in charge of managing the company's human resources (HRM) needs; but, because of other obligations, the owner neglected to create an official strategic plan for the business. A comprehensive strategy plan is being considered at this important moment, given the shift in ownership and organisational structure.

Key milestones achieved thus far include:

- i. Carrying out a comprehensive analysis of pay plans, leading to modifications for equity, and openly informing all affected staff members of the decision.
- ii. Creating detailed job specifications for current and future roles.
- iii. Conducting an extensive skills inventory via an Excel spreadsheet that is filled out by both new hires and existing staff members and then combined into a single database.

These achievements represent the first stages of the integration process. Planning and strategic thinking will be necessary going ahead to enable a smooth integration of the two organisations, guaranteeing operational harmony and long-term success.

#### **Questions:**

- i. What are the key reasons and benefits that underscore the necessity of developing a strategic plan for Human Resource Management (HRM) within the organisational framework?
- ii. In the context of organisational changes, which specific elements within the existing HR plan will necessitate adjustment or transformation to align with the revised objectives and structure?
- iii. To effectively devise an action plan for the envisaged HR changes, what additional information is essential to ensure comprehensive planning and the successful implementation of the proposed initiatives?

## **Activities**

In a group comprising three to five members, select a company of interest and conduct a thorough SWOT analysis of the organisation. Be prepared to present the findings by highlighting key strengths, weaknesses, opportunities, and threats that influence the company's strategic landscape.

Following the comprehensive SWOT analysis conducted in the first question, outline and develop new organisational objectives that strategically leverage the identified strengths, address weaknesses, capitalise on opportunities, and mitigate threats. Ensure these objectives align with the overarching strategic direction of the company.

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## Recommendation for Further Reading

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## CHAPTER FIVE

### TAXONOMY OF GLOBAL SKILLS NEEDED FOR PUBLIC SECTOR MANAGERS

#### Learning Objectives

At the end of this chapter, students should be able to:

- i. Explain the concept of management skills in the public sector.
- ii. Discuss management skills in the public sector.
- iii. Explain Capabilities Framework.

#### 5.0 Introduction

Over the years, public sector managers have witnessed a time of economic transformation, which has been made obvious by the steady increase in government expenditure. A new set of obstacles is brought about by this evolution, and managers are forced to apply the leadership and management abilities they acquired during the public sector's expansion period to navigate the changes brought about by contraction. Serving society's needs is at the heart of the public sector's philosophy, independent of the financial consequences. An administrator in the public sector must understand that the abilities needed to run the system are similar to those found in the private sector. The important difference, though, is in how these abilities are customised to fit various viewpoints and potential outcomes.

Therefore, managers working in the public sector must understand that, even though they interact with consumers, clients, and the general public, their primary duty is to provide services to society that are not driven by the desire to maximise profits but rather by the desire to do so at a reasonable cost, maintain high standards of quality, and fulfil the ultimate objective of service provision. The worldwide skill requirements for public sector managers and the HR capabilities framework are covered in detail in this chapter.

#### 5.1 Management Skills in the Public Sector

For a manager or leader in a public organisation to effectively lead the organisation towards achieving its aims and objectives, they should possess the following management abilities as noted by Abell (2021) and Thompson (2017).

- i. Planning skill

- ii. Organising skill
- iii. Directing skill
- iv. Conflict Management skills
- v. People Management skills
- vi. Controlling skills
- vii. ICT skill

### **5.1.1 Planning Skill**

One crucial component of managerial skill that plays a key role in the administration of a public sector operation is planning. The leader of a public organisation needs to be able to schedule their actions in a way that will best contribute to the organisation's performance in the targeted field (Abell, 2021). For a variety of reasons, this part of management knowledge is the one that organisations most frequently ignore or deliberately disregard. It is important to recognise that, although every task may require a different degree of planning and attention to detail, if this is overlooked, bad things will probably happen unless one is lucky.

### **5.1.2 Organising Skills**

Proficiency in team, task, and project organisation is essential in the field of public sector management to guarantee maximum productivity and successful fulfilment of given duties (Thompson, 2017). The ability of a manager to skilfully manage people, tasks, and projects is essential to creatively reaching the intended results. Whether leading a small work team or a project team, these leadership responsibilities require a certain set of organisational abilities that apply to both seasoned administrators and novices. Administrators who oversee the operations of a department or launch a new branch within a parastatal need to be especially proficient in this area. There is a significant degree of overlap between the work organisation and planning procedures (Davis & Turner, 2014). Organisation dives into the operational side, focusing on the best ways to achieve the established goals, whereas planning mostly focuses on outlining the tasks at hand. It is also imperative to note that leaders need to do the following when organising the work schedule:

- i. Determining the necessary roles for the assigned responsibilities.
- ii. Assigning responsibilities to the designated positions.
- iii. Determining the best way to assign people or equipment to each position.

- iv. Obtaining the required resources and wisely allocating them to their appropriate positions.
- v. Assigning resources to the assigned roles together with authority and responsibility delegation

Therefore, organisational competency goes beyond personnel and task management, irrespective of whether a manager oversees a small team or a project. To guarantee a comprehensive and efficient handling of all management duties, the manager must show proficiency in coordinating offices and data systems.

### **5.1.3 Directing Skill**

In terms of managerial responsibility, directing is the crucial action phase that comes after the planning and organising phases. After carefully organising and planning the work, the manager's job is to lead the team to accomplish the set goals (Martinez & Yang, 2019). This step begins with making sure that each team member understands the aim clearly. At this point, it is crucial to make sure that every member of the team is fully aware of the overall objective. This comprises determining whether every member of the team is aware of their role in helping the team to achieve its goal. The manager also has to assess if team members have the necessary tools, authority, time, and other resources to complete their given jobs successfully. Essentially, the directing phase is defined by the manager's proactive involvement in helping team members comprehend the aim in common, outlining individual duties, and offering the tools and support required to enable the smooth execution of assigned tasks (Brown & Johnson, 2016).

### **5.1.4 Pull and Do Not Push skills**

Adopting a "pull, not push" leadership style improves the manager's ability to guide the team towards socially beneficial outcomes. A more successful approach is bringing the team together cooperatively rather than using a directive style that is defined by issuing commands from a distance. Using the team members' combined skills and strengths, the manager serves as a unifying factor in this method (Bennett & Mills, 2019). Through the promotion of open communication, active engagement, and a shared sense of purpose, the manager effectively fosters a collaborative atmosphere. Team members benefit from this collaborative mindset, which makes them more than just people following instructions—rather, they become active participants in the group's success. Therefore, the "pull" method places a strong emphasis on inclusion, collaborative decision-making, and making use of the team's variety of abilities. This

strategy not only boosts team morale but also encourages a sense of dedication and responsibility among team members, which eventually results in more beneficial and significant consequences for society (Abell, 2021).

### **5.1.5 Controlling Skill**

The managerial ability commonly known as "controlling" is essential for supervising and managing team operations. It is more realistic to refer to it as "control," even though some may try to downplay its significance by using phrases like "coordinate." This language captures the crucial element of making sure the manager can properly lead and oversee the team's activities. After planning, allocating resources effectively, and sending the team on its way, the manager now takes on the responsibilities of a watchful overseer. The manager keeps an eye on ongoing operations throughout this controlling phase, making it easier to compare actual progress to the projected trajectory. The institution can confirm that it is functioning within the intended parameters by using this monitoring and comparison method. This kind of control exercised by the management allows for the prompt detection and resolution of any deviations or obstacles in addition to guaranteeing adherence to the set plan. The team's efforts are more successful and efficient overall because of this proactive approach to control (Bennett & Mills, 2019).

### **5.1.6 People Management Skills**

This facet of management skills demonstrates how managers need to be proficient in this area to succeed and how to develop it further to do so. To be a successful manager, you need to be proficient in two areas of people management. Time management and self-management are these (Smith, 2018).

### **5.1.7 Self-management**

The ability to effectively manage oneself is a crucial component of managerial skills. This includes the capacity to control one's feelings, actions, and career advancement. High degrees of emotional intelligence, resilience, and adaptability are characteristics of successful managers. Managers may set an example for their staff and remain composed under pressure by being aware of and skilfully handling their strengths and shortcomings. The dedication to ongoing self-improvement contributes to the performance of managers and guarantees a flexible and adaptable leadership style.



### **5.1.8 Time Management**

Given that time is a precious but limited resource, effective management is essential for managerial success. Setting realistic goals, allocating time wisely, and strategically prioritising work are all components of effective time management. Effective time managers maximise output, reduce procrastination, and reliably fulfil deadlines (Foster & Brown, 2015). Effective time management, which involves using techniques and tools to arrange tasks, improves managerial productivity on an individual basis and makes a substantial contribution to the team's or organisation's overall success.

### **5.1.9 Leadership Skills**

The distinction between a manager and a leader is an easy one to make. Managers oversee the administrative facets of managing assignments, procedures, and assets to guarantee operational effectiveness. On the other hand, leadership goes beyond administrative duties. It represents the capacity to uplift, encourage, and sway people, cultivating a common goal and dedication among team members (Abell, 2021). The core of this difference is like the roles themselves: leaders create, while managers carry out administrative tasks. A forward-thinking, motivating style that goes beyond the boundaries of formal authority characterises leadership. Leaders could establish a feeling of direction, grant authority to team members, and advance the group towards larger objectives. Leadership is the engine that pushes teams beyond basic functionality and towards the realisation of an inspiring vision, whereas management positions are necessary to preserve organisational structure and effectiveness. The distinctive and highly sought-after quality of authentic leadership in the context of organisational success is its rare blend of tangible and intangible attributes (Harper & Lee, 2017).

### **2.1.10 Conflict Management Skills**

Conflict management skills are the aptitudes and tactics people employ to manage and settle disagreements, disputes, or conflicts effectively and constructively. Since disagreements are a normal feature of human interactions, these abilities are crucial in a variety of personal and professional contexts.

Effective dispute resolution requires strong communication abilities. To establish a basis for fruitful conversation, active listening is paying close attention to and comprehending others' viewpoints without interjecting. At the same time, it is essential to communicate ideas, worries, and views in a way that encourages mutual understanding among those involved in conflict.

By including self-awareness, emotional intelligence improves communication even more by enabling people to identify and comprehend their feelings in conflictual circumstances. Empathy is a component of emotional intelligence that entails taking into account the feelings and viewpoints of those on both sides of the dispute to promote empathy-driven communication.

Conflict resolution greatly benefits from the application of problem-solving techniques. Analytical reasoning makes it possible to evaluate the conflict situation objectively and pinpoint its underlying causes. The process of coming up with and assessing alternate solutions to successfully deal with the underlying problems is where creativity comes into play. Effective negotiation techniques, such as compromise and assertiveness, are essential for arriving at solutions that satisfy both parties and for articulating personal interests while honouring those of others. Flexibility, or adaptability, is the ability to be receptive to many viewpoints and modify one's strategy as necessary to effectively settle disputes.

When it comes to conflict resolution strategies, avoidance means stepping back from the disagreement for a while to give emotions time to subside before resolving the issues, whereas collaboration stresses working together to discover win-win solutions. Respecting variety and acknowledging cultural differences that could lead to problems is a component of cultural sensitivity. Effective leadership abilities, such as decision-making and mediation, are essential for bringing opposing parties together and helping them work towards a settlement. Time management, and in particular timely resolution, highlights how critical it is to resolve conflicts as soon as possible to avoid escalation and unfavourable long-term effects. Lastly, cultivating a courteous and productive atmosphere requires upholding professionalism and a positive outlook in dispute circumstances.

## **5.2 Capabilities Framework**

A capability framework describes the knowledge, abilities, and attitudes that employees in an organisation need to possess to meet organisational objectives (Smith, 2018). The process of defining talents that are essential to a job role involves mapping them to job families and roles themselves. Capability frameworks are useful for recruitment, performance management, and internal mobility. Capability frameworks provide an organised approach to determining and assessing the qualities and abilities necessary for positions. These frameworks provide organisations with an invaluable reference guide during the recruitment process, enabling them to systematically evaluate candidates based on predetermined criteria. Making educated

selections guarantees the choice of people with the appropriate talents and qualities for their assigned positions by matching the competencies of applicants with the framework. Capability frameworks are essential for setting expectations for performance standards in each role when it comes to performance management (Mitchell, 2016). These frameworks serve as fundamental instruments that managers use to establish performance standards, carry out thorough assessments, and provide helpful criticism. In addition to evaluating present performance, performance evaluations in line with capacity frameworks open the door for focused development plans that fill up skill shortages and promote an all-around improvement in worker effectiveness. Organisations can identify transferable skills and competencies across a range of job categories and families with the use of capability frameworks. Employees can then take advantage of internal mobility chances by using their current skills and learning new ones as needed. The frameworks aid in the development of an agile and adaptive workforce, which facilitates the strategic deployment of talent inside the company. Under the direction of capacity frameworks, internal mobility develops into a dynamic and essential component of organisational talent management.

### **5.2.1 Importance of Capability Frameworks to Human Resources**

Firstly, let's define 'capability' A capability is an integrated set of behaviours, procedures, tools, and knowledge that work together to achieve a certain organisational goal. These competencies, arranged according to competence levels that match job positions and their associated business duties, are essential for achieving business success at all organisational levels. Capabilities are essentially what defines a company's operational core when it comes to achieving its goals. All employees can easily access these capabilities and the expected levels of proficiency thanks to a capacity framework (Williams, 2019). The NSW public sector Capability Framework, for example, defines "Manage Self" as a separate capability.

The expression of "Manage Self" at different skill levels is explained by multiple distinct components highlighted below:

- i. Prioritising one's task load
- ii. Evaluating your performance & seeking feedback
- iii. Seeking development opportunities
- iv. Managing emotions
- v. Taking initiative
- vi. Utilising negative feedback for growth

- vii. Acting as a role model for colleagues
- viii. Promoting the value of self-improvement
- ix. Keeping up to date with current practices

The continuous growth of an organisation and its changing goals require a corresponding evolution in the workforce's competencies. A well-established worldwide software corporation does not need the same specialised jobs that are necessary for a rapidly growing tech start-up. Furthermore, the need for roles at a tech start-up changes from its early recruitment phase to a more varied one as it advances past its initial growth stage. The employee experience simultaneously adds another level of complexity by guaranteeing collaborative interactions, effective role performance, and alignment with business values. An effective capacity framework is even more necessary in light of uncertainties around the skills needed for career advancement and the difficulties in accurately measuring and managing performance (Brown & Johnson, 2016).

A capability framework's ability to specify the necessary abilities, know-how, and conduct for efficient performance at all organisational levels makes it crucial to the success of any organisation. By creating a common language that all organisation members can understand, this framework promotes alignment and clarity. Importantly, it outlines the specific ways in which each function influences organisational results, offering a path to success. A competence framework serves as the cornerstone for efficient workforce planning by outlining specific goals for achievement over the whole employee life cycle (Martinez & Yang, 2019). This clarity helps HR teams to better coordinate their efforts with strategic business goals and promotes smooth departmental communication, which improves the performance and cohesion of the entire organisation.

### **5.2.2 Key Benefits of a Capability Framework**

Implementing a capability framework enables the organisation to:

- i. Recruit talent more effectively through job and role desire.
- ii. Maintain an adequate talent supply now and into the future.
- iii. Better evaluate performance and manage talent.
- iv. Identify and close skills gaps more efficiently.
- v. Provide more personalised professional development.
- vi. Improve the quality of services or products and customer or client relations.

- vii. Act on strategic succession and workforce plans.
- viii. Seek clear progression from level to level.
- ix. Enact change management processes.
- x. Stay clear on how to complete daily tasks.
- xi. Understand and unlock leadership potential.
- xii. Create career pathways across teams and departments.

### 5.2.3 The Structure of Workforce Capability Framework

Several distinguishing characteristics of a capability framework add to its effectiveness and applicability inside an organisation:

- i. Harmonising Hard and Soft Skills:** A strong framework for capabilities creates a harmonic balance between hard talents and soft skills. It acknowledges the significance of developing interpersonal and communication skills in addition to having the requisite technical knowledge for success in a variety of positions (Williams, 2019).
- ii. Specifying Increasing Levels of Proficiency:** An essential feature of a capability framework is the way it defines ever-higher levels of expertise. Within the organisation, this hierarchical structure offers a clear path for skill advancement and growth (Foster & Brown, 2015). It gives workers an understanding of the proficiency levels required of them in their professions and provides a framework for ongoing development.
- iii. The Organisation's Distinctiveness:** An effective capability framework stands out due to its custom design, which makes it exclusive to the company it supports. It tightly aligns the framework with the strategic objectives of the organisation by taking into consideration its unique aims, values, and operational quirks (Obembe & Falola, 2020). The capabilities framework will become a truly reflecting and essential part of the organisation's identity thanks to this custom methodology.

Essentially, a well-designed capability framework offers a structured progression model that is tailored to the specific qualities and goals of the organisation it represents, in addition to seamlessly integrating technical and soft abilities.

The contextual uniqueness of skills sets them apart from capabilities. Although skills are often transferable to other organisations, capabilities and capability frameworks are intrinsically company-specific. In contrast to talents, they are intrinsically cross-functional, transcending specific teams or processes and supporting the larger organisational goals. Avoiding the

mistake of thinking of a capability framework as just an extension of organisational hierarchy is crucial since it expands beyond discrete areas and combines with all aspects of the organisational structure. Capabilities are expressed in business terms, each of which defines how it contributes to the overall corporate objectives, as was previously stressed. The ability to remain relevant across departments and apply them consistently in the face of system or process changes is what makes a capability special. A true capability does not alter when departments shift, or new delivery systems are introduced about it. By displaying skills at different competency levels, a capability framework helps to clarify this concept even further. Within this paradigm, competencies correspond to expected performance criteria at various employment levels, acting as benchmarks. It is not a binary classification of capability possession, but rather a dynamic spectrum that denotes increasing capacity and expertise. Essentially, the capability framework offers an extensive and scalable depiction of organisational capacities, giving a nuanced picture of changing proficiency levels.

#### **5.2.4 Focus Capabilities**

Within a framework, the primary groups of capabilities are called focus or core capabilities. These are the most important levels of expertise, abilities, and qualities that workers need to have to carry out their jobs well. They are also essential to the survival of your business. Consider these your primary dietary groups. To thrive, you require a well-balanced diet rich in grains, dairy products, fruits, vegetables, and protein (Thompson, 2017). For optimum health, no group is more significant than any other, nor should you advise any of your friends to concentrate solely on one. Instead, each contributes something valuable to your objectives. Focus capabilities are essential components of a company's competitive advantage and operational excellence, and they are crucial drivers of corporate success. Focus capabilities include, for example:

- i. **Results/Outcomes:** This focused capacity emphasises a dedication to generating effective outcomes in line with business objectives by focusing on the ability to produce noticeable and significant results.
- ii. **People Management:** People management as a focused competency emphasises the significance of successfully leading, inspiring, and working with individuals to accomplish group goals. It encompasses both leadership and interpersonal abilities.

- iii. **Individual Qualities:** As a focus capacity, personal attributes draw attention to the importance of unique traits and abilities that support success, like resilience, adaptability, and a strong work ethic.
- iv. **Standardisation:** Ensuring consistency and efficacy in corporate operations requires the capacity to implement and maintain consistent procedures and guidelines.
- v. **Strategy:** Developing and implementing successful business strategies that support organisational objectives and promote long-term growth and competitive edge constitute strategy as a focus capability.
- vi. **Leadership:** Creating a vision, motivating people to work towards shared goals, and cultivating an inventive and upbeat workplace culture are all components of this vital focus competency.
- vii. **Relationship:** This focused capacity, which emphasises relationship-building, understands that mutual success depends on fostering and preserving healthy connections with partners, clients, and stakeholders.

### 5.2.5 Application of Workforce Capability Framework

The use of workforce capabilities frameworks in the public sector has proven crucial for a few reasons, from helping with employee mobility to creating job descriptions. Examples derived from various entities demonstrate the variety of uses for these frameworks:

- i. **New South Wales (NSW) Government:** The NSW Government makes use of its framework for workforce capability in a few ways, from creating job descriptions to encouraging internal mobility. This framework functions as an all-inclusive instrument for managing talent inside the government apparatus.
- ii. **The Australian Security Intelligence Organisation (ASIO):** Uses its capability framework to outline the needs needed to carry out its task. This framework makes sure that the behaviours, knowledge, and skills required to fulfil the organisation's mission are clear.
- iii. **National Disability Insurance Scheme (NDIS):** Using its framework of capabilities, the NDIS creates a shared vocabulary to describe excellence in service delivery. For anyone making use of NDIS services, this framework offers a common understanding of what exceptional performance entails.

These illustrations demonstrate the value of a workforce capabilities framework in improving internal talent development, future-proofing organisational success, and raising service quality.

The public, state, and commercial sectors in Nigeria are using workforce competence frameworks to address a range of functional competency categories, such as:

- i. **Leading and Supervising:** Shows initiative, acts as a behavioural role model, and helps managers effectively lead and supervise people.
- ii. **Analytical/Thinking:** Empowers managers to make logical decisions by drawing on information and analysis that is already accessible.
- iii. **Knowledge Sharing and Learning:** Promotes lifelong learning among employees and makes it easier for them to share their knowledge through networking, training, and mentorship.
- iv. **Making Decisions and Judgment:** This will enable managers who are making complex decisions to consult with others and ask for guidance at the proper managerial level.
- v. **Technical/scientific credibility:** This will enable managers to use professional or scientific methods, procedures, and approaches to deliver knowledgeable assistance and recommendations in their domains.
- vi. **Change management:** This will assist managers in foreseeing the need for change, assigning the required resources, and encouraging creativity and innovation.
- vii. **Persuasion and Influencing:** This will aid managers in creating consensus on thoughts and initiatives that influence their groups and other teams.

### **5.2.6 How Managers Can Use Capability Frameworks**

It must be noted that capabilities can appear as an HR practice, a framework is a very practical tool that managers can utilise daily. Overseeing a team's performance is a complex and frequently time-consuming task. It can simplify and be advantageous for:

- i. Creating job descriptions;
- ii. hiring and training;
- iii. managing performance; and
- iv. strategic workforce planning

### **5.2.7 How Capability Frameworks Benefit Employees**

Capabilities could appear to be an HR procedure. It supports team decisions and helps the team achieve its goals (Williams, 2019). If nothing else, making it visible to all staff members will



help them do their work more effectively without supervision, enhance their ability to evaluate themselves, and create growth and development chances.

- i. Improved daily performance;
- ii. Promote introspection; and
- iii. Create opportunities for learning

### **5.2.8 Tracking Development against Capability Framework**

Organisations that do not have a capacity framework run the risk of using ad hoc learning and development (L&D) methods, which are similar to slinging cooked spaghetti against a wall and praying for the best (Falola, Ogueyungbo, Adeniji &, Adesina, 2022). Even while there are probably times when unplanned learning and development coincide with the needs of a specific employee, this strategy is as inefficient as throwing away pasta on a group and organisational level (Mitchell, 2016). On the other hand, a capability framework-driven, well-managed learning and development strategy guarantees that the right people receive the right skills at the right time, both now and in the future. Using the capacity framework as a blueprint for managing learning and development activities as well as a guide for business success, this strategic alignment of L&D projects is essential to efficient workforce planning. The product is a focused and intentional strategy that optimises the impact of training activities and supports long-term organisational performance by fusing L&D efforts with the organisation's strengths.

A planned and comprehensive strategy is necessary to track growth against a capability framework effectively. The following are important factors to consider:

- i. Align Learning, Capabilities, and Business Outcomes:**
  - a. Make sure that learning activities closely correspond with the capacities that the framework identifies.
  - b. Make a direct link between the general company objectives and results and the acquisition of skills and expertise.
  - c. Review and modify learning programmes regularly to keep them in line with changing business requirements and success-oriented skills.
- ii. Assess Learning Effectiveness:**
  - a. To determine whether learning initiatives are effective, put in place strong evaluation procedures.

- b. Measure the effect of training on capability development using key performance indicators (KPIs) and other pertinent metrics.
- c. To determine whether the learning experience was applicable and to pinpoint areas that needed improvement, ask participants for their opinions.

**iii. Encourage Learning in the Workflow:**

- a. Encourage a culture of ongoing education by skilfully incorporating learning opportunities into regular workdays.
- b. Give staff members the tools and resources they need to incorporate learning resources into their daily tasks.
- c. Make use of platforms and technology that facilitate just-in-time learning so that staff members may pick up and use new information instantly.

### **5.3 Conclusion**

The economy is changing which is evident in the public sector managers' experience because government spending on public goods has been rising over the past few decades. Delivering services to society is at the core of the public sector concept, regardless of the financial result. It is believed that having the following management abilities will help managers in both the public and private sectors of organisations accomplish their goals and objectives: organising, planning, directing, managing conflicts, managing people, controlling, and planning. All sectors of the economy, public and commercial, value the managerial competencies.

## 5.4 Illustrative and Practice Questions

### MULTIPLE CHOICE QUESTIONS (MCQ)

1. The following management skills are considered important in the public sector organisation except .....
  - a. Planning skills
  - b. Organising skills
  - c. Directing skills
  - d. Spending skills
2. When a leader organises the work, the leader needs not to .....
  - a. determine the roles needed
  - b. determine the types of decisions to be made
  - c. assign tasks to the roles
  - d. obtain the resources and allocate them to the roles
3. One of the following is not a benefit of a capability framework.
  - a. Better evaluate performance and manage talent
  - b. Recruit talent more effectively
  - c. Help guide the organisation's action
  - d. Act on strategic succession and workforce planning
4. Managers can use all the following capability frameworks except .....
  - a. better day-to-day performance
  - b. it may not motivate employees
  - c. encourage self-reflection
  - d. establish learning opportunities

### MCQ – SOLUTIONS

1. D    2. B    3. C    4. B

### THEORY QUESTIONS

1. Define management skills as HR in the Public Sector.
2. What is planning?
3. Explain the capabilities framework and give appropriate examples as HR Manager in the Public Sector.

4. Is there any difference between “Organising and Controlling”?

## 5.5 Case Study

Jayant is working as Head Relationship Manager in the wealth management division of a private sector bank. He has created an internal environment which is conducive to the effective and efficient performance of his team of ten relationship management executives. A typical day at work in Jayant's life consists of a series of interrelated and continuous functions. He decides the targets for his department which are in line with the objectives of the organisation. The future course of action for his team members is laid out well in advance.

The various resources required by the relationship managers like an iPad with GPS, account opening forms, brochures, details of account holders etc. are made readily available to them. The executives are given sufficient authority to carry out the work assigned to them. Jayant works in close coordination with the Human Resource Manager to ensure that he can create and maintain a satisfactory and satisfied workforce in his department. Through constant guidance and motivation, Jayant inspires them to realise their full potential. He offers them various types of incentives from time to time keeping in view their diverse individual needs. Moreover, he keeps a close watch on their performance to ensure that they are by the standard set and takes corrective actions whenever needed.

### Questiona:

- a. Identify the concept being referred to in the following line, "He has created an internal environment which is conducive to an effective and efficient performance of his team of ten relationship management executives."
- b. Identify and describe the various functions of the concept as identified in part (a) of the question by quoting lines from the paragraph.

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## CHAPTER SIX

### CONSTRAINTS OF ORGANISATIONAL SETTINGS ON THE MANAGEMENT OF GLOBAL GROUP ACTIVITIES

#### Learning Objectives

At the end of this chapter, students should be able to;

- i. Discuss the issues and challenges HR professionals face in discharging their duties.
- ii. Define and explain stakeholders' Management.
- iii. Discuss internal issues limiting the practice of global HR.

#### 6.0 Introduction

It has never been simple to manage human resources in a company. The past few decades have seen an increase in the difficulties associated with HRM due to the quick development of technology, rapid software changes, and remote work (Thompson, 2016). Ensuring efficient use of the organisation's time, money, and resources is the task of HR for a successful HR management system (Brewster, Sparrow & Harris, 2019). Also, they guarantee that workers have access to the tools they need to give their all and achieve the highest possible levels of production. This chapter will teach us about the problems and difficulties that HR professionals encounter in carrying out their responsibilities, managing stakeholders, and identifying the general internal problems that restrict the practice of global HR.

#### 6.1 Issues and Challenges HR Professionals Encounter

The common issues HR managers come across include;

- a. Attracting Top Talent.
- b. Embracing change with an open mind.
- c. Developing the future generation of leaders.
- d. Building a culture of continuous learning.
- e. Building Diverse Team
- f. Looking after Health and Safety
- g. Managing the Turnover Rates
- h. Globalisation



- i. Compliance with Laws and regulations
- j. Retaining Top Talent

**i. Attracting Top Talent:**

The increasing competition in the market for highly trained workers means that HR managers need to use smart methods to draw in top talent. This entails providing competitive wage packages, but it also entails fostering a positive organisational culture, highlighting professional growth opportunities, and designing an attractive work environment (Falola, Ogueyungbo & Ojebola, 2020). Evaluation of a worker's organisational fit is just as important as their technical ability. This entails assessing compatibility with the team, alignment with organisational principles, and cultural fit. It's crucial to consider the candidate's values, style of communication, and social skills to make sure they mesh well with the workplace culture (Falola, Salau, Igbinoba & Ogueyungbo, 2022).

The solutions put forth aim to tackle the problem of drawing highly skilled individuals to the company and augmenting the general efficiency of HRM. Let's examine each of the solutions:

**a. Creating Videos with Staff Testimonials:**

Justification: Video testimonies from active staff members can offer a sincere and direct look into the company culture and working conditions (Brewster, Sparrow & Harris, 2019). Those having firsthand organisational experience tend to offer valuable viewpoints, especially for prospective applicants.

Benefits: Sincerity in staff endorsements can contribute to credibility and trust development. Prospective employees might develop a stronger bond with the workplace by learning more about the regular experiences held by the organisation.

**b. Designing a Referral Reward Programme:**

Justification: Putting in place a referral programme for staff members is a proactive approach to using current staff members as brand advocates. The corporation leverages its internal network to draw in people who are likely to fit with the corporate culture by offering incentives for referrals.

Benefits: A well-thought-out referral programme increases employee engagement while also drawing in top talent. Workers feel compelled to suggest people they think will be a good fit for the company (Brown, 2017).

**c. Creating an Environment That Will Draw Top Talents:**

Justification: Attracting and keeping top personnel depends critically on having a good corporate culture. Establishing a culture of gratitude, teamwork, and open communication about leadership conveys to prospective applicants that the company values its workers and offers a positive work environment.

Benefits: A compelling corporate culture can serve as a potent differentiator, helping the business stand out from rivals. It supports long-term commitment, productivity, and employee happiness (Williams, 2020).

**d. Integrating Solutions:**

There may be a synergistic effect when various solutions are combined. Videos with employee endorsements, for instance, could be included in recruiting marketing materials to highlight the favourable features of the company culture. Employees are actively involved in attracting outstanding talent because of the referral reward scheme, which further involves them in recruitment.

**e. Continuous Assessment and Modification:**

It is critical to keep evaluating how well these tactics are working. It is imperative to gauge candidate impressions, keep an eye on the referral program's effectiveness, and get regular input from staff. Because the labour market is dynamic and organisational demands change over time, HRM can adjust and improve plans through this iterative process.

**ii. Embracing Change with an Open Mind:**

Being able to adapt to the world's ongoing changes is one of the biggest issues facing HR managers (Smith, 2019). Change is inevitable, so it is their responsibility to welcome it and help their staff members adjust as well. HR managers are responsible for making sure that the company does not have an excess or shortage of human resources because they are the strategic resource planners of the company.

The following are some of the strategies that can be used to address this issue in the world of work:

- a. communicating with staff members in an honest, transparent, and open manner.
- b. Ensure that the staff members have the knowledge and tools necessary to handle the change. A favourable outcome is more likely when staff members feel confident and competent.
- c. Participate in high-level meetings to find out what the organisation will need in the future.

### **iii. Developing the Leaders of Tomorrow:**

HR managers have an ongoing responsibility to train and develop the future cornerstones of their organisation (Mitchell, 2017). This is one of the more challenging problems that HR managers deal with since many employees have tense relationships with their managers. However, if HR managers expand their present workforce for higher positions, they can save money on training and employing new employees. A person who has progressed in the organisation also has firsthand experience (Mitchell, 2017). HR managers can help employees become tomorrow's leaders even while there isn't a one, all-encompassing solution.

The following strategies can assist an organisation in developing future leaders and resolving these HRM concerns:

- a. managers could provide specialist training sessions for gifted individuals.
- b. retention of employees is higher when they have a noticeable advancement in their careers.
- c. develop interpersonal skills
- d. Allow the employee to assume leadership roles and address the group with presentations.

### **iv. Building a Culture of Continuous Learning:**

An essential component of any organisation is learning. Employee upskilling gives a business a competitive advantage, but it is a challenging task in HRM (Davis, & Turner, 2018). Employees also experience stimulation, engagement, and growth prospects. Managers must, however, make sure that the abilities a group of workers acquires advance their positions. Each employee will advance each year if the organisation fosters a culture of self-improvement and learning.

The following are some strategies to get beyond these challenges:

- a. Foster a growth mindset in staff members so they are open to accepting criticism to improve.
- b. Train supervisors to provide excellent feedback. How to make it objective, what should be included, and how to make it easier for the recipient to understand.
- c. Establish team goals for learning. Establish monthly goals for staff members to acquire new technology or skills.
- d. HR managers have additional access to gamified, micro, and online learning.

**v. Building Diverse Team:**

With increased connectedness, the world gets smaller. The task of managing a workforce with a variety of origins, perspectives, and experiences is one of the HR issues that HRM currently faces. Creating an inclusive workplace for all employees is another obligation that comes with this HRM difficulty. Creating an inclusive team not only brings new ideas to the organisation but also creates a chain of various connections. Your company will be more creative and culturally aware if it gives a platform to varied voices.

HRM's approach to this challenge is to:

- a. carry out cultural awareness training to assist staff in comprehending people from varied backgrounds.
- b. Team-building exercises will also make it possible for all employees to collaborate as a single unit to achieve shared goals.
- c. Teach your leaders to be tolerant and open-minded.
- d. Embrace cultural diversity.
- e. Promote hiring of people from different cultural backgrounds.

**vi. Looking Out for Health and Safety:**

Upholding health and safety regulations is at the top of any HR manager's list of priorities. What keeps a company going and expanding is its workforce's general well-being (Foster, C., & Brown, 2019). HR specialists need to keep a careful eye on employees' workloads and stress levels in addition to their physical health. For the workforce, a prolonged period of elevated stress and anxiety is concerning.

### ***Strategies for Taking Care of the Workers:***

- a. Creating a structure where workers share the workload equitably.
- b. To better assist staff, managers ought to receive training on raising their emotional intelligence.
- c. Workers should receive relaxation training to help them better handle stress.

#### **vii. Managing Turnover Rates:**

Reducing an organisation's turnover rates is one of the biggest HRM challenges. Developing a first-rate employee experience is one way to address this. Any organisation with a high turnover rate will see a rise in expenses and resources. High personnel turnover rates can have negative effects on an organisation's morale in addition to financial ones (Adeniji et al., 2019). One important factor in lowering turnover rates is having a thorough understanding of employees' issues.

The following are some of the strategies that can be adopted by HR managers in managing turnover rates.

- a. Conduct exit interviews always to fully comprehend the reasons behind an employee's departure from the organisation.
- b. Choose the best applicant for the position.
- c. train and foster employee growth.
- d. cultivate a cordial working relationship with employees, and
- e. consider whether offering flexible work schedules might benefit your business.

#### **viii. Globalisation:**

HR managers frequently work with workforces and teams that are dispersed globally. Additionally, a company's clientele is becoming more varied. Developing innovative plans and strategies to create an inclusive workforce that makes use of 21st-century technologies is the responsibility of HR managers. Managers also need to celebrate the variety within their staff and use it as a tool to connect with new people.

Strategies for overcoming this challenge:

- a. Verify that the appropriate systems are in place for improved management.
- b. Ensure that staff members are aware of who to contact if they require assistance.
- c. Show acceptance of different languages and cultures.

ix. Compliance with Laws and regulations:

One of the major issues in HRM is that many HR professionals have trouble staying up to date on legislation and regulations that are relevant to the firm. Lack of appropriate policies might have an impact on the resources and growth of the business. Inadequate rules could result in legal action, penalties, or even the company's closure. Additionally, HR professionals must be abreast of any modifications to rules about labour law, working conditions, and CRS.

Solutions

- a. Establish a methodical schedule for updating and reviewing policies.
- b. Encourage cooperation between the compliance, legal, and HR departments.
- c. To keep informed, make use of legal databases and internet tools.
- d. Consult a legal professional regularly.
- e. Create a line of contact that is open with regulatory organisations.

**x. Retaining Top Talent:**

Human resource management (HRM) faces a big issue in retaining top talent, one that has broad ramifications for the entire organisation. Retaining outstanding talent within the company is as important as nurturing it. Any business that experiences a high turnover rate faces difficulties and depletes its resources, placing more strain on upper management. Our organisation's attempt to build a long-lasting business is hampered by the lack of elite talent. Significant losses for the organisation may result from the lack of a steady group of leaders. To keep great talent in our organisation, however, several calculated actions can be performed (Adeniji et al., 2019).

The solutions to this HRM challenge are:

- a. HR specialists can guarantee that every worker feels appreciated, inspired, and involved.
- b. Talented people are more likely to stick around in a positive work environment.
- c. Additionally, spend money on the appropriate hardware and technology for staff members.
- d. present chances for continued development.

## 2. Challenges of HRM in Organisations

As mentioned by Ananthram and Chan (2022), some of the challenges are listed below;

- a. Turnover
- b. Productivity
- c. Customer relations
- d. Future uncertainty
- e. Financial management
- f. Monitoring performance
- g. Regulation and compliance
- h. Recognising Generation
- i. Technology
- j. Fulfilling employees' aspirations

- i. **Turnover:** Turnover in HR refers to the process of replacing current employees with new hires, including resignations, interagency transfers, retirements, and terminations. Called the turnover rate, it is the percentage of workers who leave an organisation in each time frame. Adeniji et al (2019) pointed out that a high turnover rate indicates shorter employee tenure when compared to competitors in the business. This measure, which can be done on a yearly or fiscal year basis, is essential for companies to analyse staff stability. Elevated employee turnover can have a detrimental effect on productivity, especially if a higher percentage of inexperienced workers replace the skilled professionals in the workforce (Ananthram & Chan, 2022)

### **Strategies that can assist a business in keeping a healthy turnover rate include:**

- a. Actively getting input from departing staff members. Additionally, this can indicate whether staff members are not happy with a particular feature.
  - b. Including transparency in all aspects of how your company operates.
  - c. Have reasonable expectations for your staff members.
  - d. Clearly stating your objectives and benchmarks
  - e. Establishing an appropriate onboarding process for staff.
- ii. **Productivity:** Increasing staff productivity continually is now the standard operating procedure for businesses. Quick, astute, and consistent procedures are necessary not just for managing but also for maintaining high employee productivity (Harper & Lee,

2015). HR experts are also responsible for monitoring all employees, attending to their needs, and covering any gaps.

**How to Increase Workers' Productivity:**

- a. Provide your staff with the instruments they require for the task at hand.
  - b. Employ strategic hiring to enhance the cultural fit inside a company.
  - c. Provide your staff with up-skilling and training so they are knowledgeable about the newest equipment and software.
  - d. Make an effort to refrain from micromanaging your staff; greater outcomes come from less management.
  - e. Provide opportunities for relaxation and self-care for our staff members.
- iii. **Customer Relations:** Probably the most important component of an organisation's long-term success is its customer service. In particular, if consumers are dissatisfied, they can easily voice it on social media channels. To increase client satisfaction, consultants need to use 21st-century technology and pay close attention to feedback.

**Strengthening Bond with Client**

- a. Put more emphasis on customisation because clients prefer to be handled like individuals rather than just as a number.
  - b. Increase transparency in your work so that clients can see a little glimpse behind the scenes.
  - c. Give clients the appropriate content at the appropriate moment.
  - d. Permit your clients to work with you on occasion.
- iv. **Future Uncertainty:** In addition to hiring qualified people, organisations also consult experts to examine industry trends and patterns and decide on the best course of action going forward. The ability to foresee and respond to the ever-changing corporate landscape is what separates successful organisations from unsuccessful ones. In an organisation, managing uncertainty may be quite challenging. The current state of the coronavirus has highlighted how unpredictable the future can be.

**The following actions of the organisation can help to reduce uncertainty:**

- a. Taking immediate action that will increase the likelihood of success for your business.
- b. Put your client's needs and wants first.
- c. Reorient your attention to anything under your control.
- d. Create short-term plans as well.



- e. Make a well-considered wager on what might hold value in the future. Although it is perilous, there is no other option.
- v. **Financial Management:** Regardless of the size of the organisation, financial consulting is essential. A financial advisor assists in making sound financial decisions on profit margins, cash flows, cost containment, and productivity growth. A well-supported company plan has a high probability of success.

**Strategies for handling the finances include:**

- a. Have a detailed, comprehensive business plan available before pursuing any new venture.
  - b. Keep an eye on the financial situation and familiarise yourself with the fundamentals of cash flow management.
  - c. Steer clear of credit lending and make sure clients/customers pay on schedule.
  - d. Manage overhead and monitor everyday spending.
  - e. Pay taxes and submit IT returns on schedule.
- vi. **Monitoring Performance:** Key performance measures include employee and customer happiness, internal process quality, and financials. These metrics show how well a business is doing. Organisations must employ comprehensive assessments and analyses to monitor their success, instead of depending solely on vague sales figures.

**Here are some guidelines to assist you more successfully monitor the performance of your organisation:**

- a. Make SMART objectives. Objectives have to be precise, quantifiable, feasible, pertinent, and timely, with the ability to track their accomplishment.
  - b. Measure results rather than outputs—the advantages that flow from the labour done.
  - c. Additionally, makes performance measurement simple and well-defined.
  - d. Do away with the idea of silos. In other words, let information move freely within the company.
- vii. **Regulation and Compliance:** CEOs and other senior managers may find it challenging to stay up to date on the laws and rules that are relevant to their organisation. It is important to study the documents carefully because some laws and regulations may not be immediately clear. It's also a good idea to choose someone from within the organisation or employ an outside consultant to stay on top of all the rules. A corporation may incur fines or worse for noncompliance.

### **How to Ensure Regulatory Compliance**

- a. Recognise the rules and regulations that are relevant to your industry and operational procedures.
  - b. Ascertain which prerequisites are missing and create a strategy for filling them.
  - c. Record the procedure for compliance. This will be beneficial for audits.
  - d. Observe modifications as they take place as well.
- viii. **Recognising Generation:** In recent years, organisations have had to deal with globalisation and adjust to new social media marketplace channels. Companies need to adapt to working with millennials. They must also put in effort to comprehend their viewpoint, working methodology, and possible contributions. Experts believe that Gen Z workers will outperform their predecessors in the workplace in the future.

#### **Here are the Reasons:**

- a. Having grown up with globalised technology, Generation Z is well-versed in its use.
  - b. They are eager to learn new things and launch their businesses.
  - c. They are more likely to generate original ideas since they are seeking excitement and fulfilment in their work.
- ix. **Technology:** Advances in technology are occurring at a breakneck speed. Over the past ten years, new application development processes, cloud computing, promotional methods, working styles, and development processes have all emerged. It also becomes a problem of keeping up with technology for established organisations.

According to Anathram & Chan (2022), these are some strategies to stay on top of the constant technological developments that occur:

- a. Observe what other businesses are implementing and, more crucially, what functions well for them.
  - b. Consult with our technical staff often and make an effort to determine what would be a wise course of action moving forward.
  - c. The business problem is what drives your solution; technology is just one component of it. Additionally, adjust your technology solely to meet our needs.
  - d. Spend a few minutes researching the newest trends and reach day.
  - e. Motivate your group and staff to develop company concepts and plans utilising cutting-edge technology.
- x. **Fulfilling Employee Aspirations:** The next HRM difficulty once a company completes the onboarding process for new hires is keeping them on board. To fulfil the goals of

their workers and foster loyalty, businesses can begin with little steps like goal mapping, creating a respectful and trusting work environment, and maintaining open lines of communication.

### **How to Respond to the Challenges of Human Resources**

- a. Regularly make organisational adjustments while also improving the calibre and output of work
- b. Create a well-thought-out training programme.
- c. Encourage staff members and give them praise for their efforts.
- d. Create guidelines to help you nurture and keep your best employees.
- e. Make better company decisions by utilising business information in conjunction with the newest technologies.
- f. Additionally, maintain communication with the staff to learn about their issues.
- g. Pay attention to the board meetings to learn about the future expectations.

## **6.2 Stakeholder Management**

A stakeholder is a person, group, or organisation that is involved in, or impacted by, the success of a project or business enterprise. Customers, staff members, business partners, team members, sponsors, investors, vendors, and even the government can all be considered internal or external stakeholders (Martinez & Yang, 2016). The process of identifying stakeholders, evaluating their requirements and expectations, and organising and carrying out activities to interact with them along the course of the process of developing a product is known as stakeholder management. Essentially, it all comes down to keeping an eye on and strengthening your connections with our stakeholders, who are important to the longevity of your product. You may plan out your interactions and assess the state and calibre of your relationships with various stakeholders by using an effective stakeholder management method.

### **a. Importance of Stakeholder Management**

Initially, it is crucial to keep in mind that critical stakeholders have a significant influence on the funds, resources, and other necessary components needed to launch a product. Therefore, you must implement strong stakeholder management techniques to involve your most important stakeholders.

### **b. Benefits of Stakeholder Management:**

- i. Enhances Role Clarity and Focus: Simple stakeholder management enables you to establish realistic expectations for each type of stakeholder and foster clear communication.
- ii. Enhances Engagement: Getting your stakeholders involved in projects can be difficult, particularly if they are already busy with daily responsibilities or have multiple projects to oversee.
- iii. Fosters Better Relationships: When done well, stakeholder management fosters and maintains positive relationships with stakeholders and the impacted communities.
- iv. less Risk: With improved participation, more defined roles, and solid relationships, there is a much less likelihood of dangers endangering your project than there was previously.
- v. . Brings in Resources: Stakeholders know the procedures in place, as well as prior achievements and setbacks, market trends, fresh concepts, and more. It is simpler for you to ask for help and guidance from stakeholders when you are managing and cultivating a positive relationship with them.

### **c. Stakeholder Management Process**

- i. Stakeholder Identification
- ii. Stakeholder Analysis and Mapping

#### **6.2.1 Stakeholder Identification:**

A crucial element of meaningful and successful stakeholder engagement initiatives is the identification and analysis of stakeholders. Offering a broad summary of all parties involved is the aim of this stage. In the last 20 years, and particularly in the last 10, the term "stakeholder" has come to mean a lot in public and nonprofit management theory and practice. The phrase describes individuals, teams, or organisations that managers, supervisors, and front-line employees must in some way take into consideration.

#### **a. Definitions of Stakeholders from the Public and Non-profit Sector Perspective:**

- i. According to Nutt and Backoff (1992: 439), "Everyone who will be impacted by or have an impact on [the organisation's] strategy."
- ii. "Any individual, group, or organisation that can demand recognition, access to resources, or output from the organisation, or that is impacted by that output" (Bryson 1995: 27).

- iii. Individuals or small groups could react to, engage in negotiations with, and modify the organisation's strategic trajectory (Eden and Ackermann 1998:117).
- iv. "Those people or groups from whom the organisation depends on and from whom it depends on to achieve its aims" (Johnson and Scholes 2002: 206).

According to Eden and Ackermann (2001), individuals or organisations are only considered stakeholders if they possess the ability to directly influence the organisation's destiny; if not, they are not. Since they are writing for audiences that include company management as well as public and non-profit management, their definition is consistent with many others in business management research and makes sense for their goals (Mitchell et al. 1997; Jones & Wicks, 1999)

#### **b. What is the Purpose of a Stakeholder Analysis?**

Collaborating with stakeholders in your company gives them a cause to be interested in the objectives outlined in your personnel plan and the strategies you employ to achieve them. Having the support of your stakeholders allows you to work together towards an objective or result that will benefit your company as well as your stakeholders directly.

#### **c. How to identify Stakeholders**

You already have a general understanding of what a stakeholder is, but now is the time to go a bit further. This indicates that it is time to examine the categories of parties or organisations that are deemed to be stakeholders.

#### **d. Understanding Stakeholder Categories**

The first step in stakeholder management is understanding the different stakeholder categories as they pertain to workforce planning. Many different types of stakeholders may have interests in your business and its decisions, some of them from within your organisation and many from outside it. Generally, the different types of stakeholders you may come across will fall into three categories. This means that each type of stakeholder will be a combination of internal or external, Primary or secondary, direct or indirect. So, what defines these categories, and which types of stakeholders fall under each one?

- i. **Workforce Planning Stakeholders, Both Internal and External:** Those who work for a company, such as owners or workers are considered internal stakeholders. On the

other hand, an external stakeholder is someone who works for someone else, such as a supplier.

- ii. **Workforce Planning's Primary and Secondary Stakeholders:** The main people involved in workforce planning are those who have a direct stake in the success of the project or business. Because they are directly involved in the project and actively contribute to its outcomes, their interest is usually great. Secondary stakeholders, on the other hand, are involved in administrative and financial issues. While they contribute to the project's completion, their impact is not as great as it could be.
- iii. **Direct and Indirect Stakeholders for Workforce Planning:** Both types of stakeholders have an interest in the entire process of achieving a goal, from inception to completion. In contrast to indirect collaborators, who are more concerned with the project's result, direct stakeholders participate in the development process and frequently assist with its daily responsibilities. A consumer's interest resides in the final product, making them an indirect stakeholder compared to an employee who is directly involved in the project's creation.
- iv. **Recognising Different Stakeholder Types:** The types of stakeholders you need to grasp next. When attempting to identify stakeholders for your business projects, you are likely to run into a few typical sorts of stakeholders. Customers, owners, workers, investors, suppliers and vendors, trade unions, communities, creditors, and governments are some examples of stakeholder types.

### **6.2.2 Stakeholder Analysis:**

The next stage is to understand how to use this knowledge to undertake stakeholder identification and analysis for your workforce planning now that you are aware of the different kinds of stakeholders and the categories to which they fall.

#### **Steps to Performing a Stakeholder Identification and Analysis:**

**Step 1: Determine the parties involved:** Finding all possible partners is the first stage in the stakeholder analysis process. Consider the various stakeholder categories and types that were covered in the previous section. Who within your company would be interested in the outcome of your project? Which outside parties might be interested in your project? Identify potential participants by brainstorming. Your list can be trimmed down later, so don't worry if it's lengthy.

**Step 2: Set stakeholder priorities:** Sort your stakeholders according to their level of involvement, interest, and impact in the current project. You have the most impact over the diner, but the guest who can only stay for the main course at your dinner party is not very interested in the dessert. The process of prioritising all of your stakeholders can be difficult, so if you would rather have a visual aid, you can always employ a power interest grid. Using a combination of power and project engagement, the power interest grid classifies stakeholders into four groups:

**Collaborators:** Collaborators are those who have a great deal of power and interest in a project. They should be involved at every stage of the project since you will be working with them most of the time.

**Advisors:** These are stakeholders with a high level of interest in the project but little actual influence. Their limited power prevents them from having any effect on the project itself, although they can offer suggestions, thoughts, and insights.

**Influencers:** People with low interest and high power are considered influencers. They can have an impact on the project, but even though you should keep them informed, they are generally not interested in being actively involved.

**Crowd:** Low-interest and low-power stakeholders make up the crowd. All you have to do is make sure that this group is updated on the status of the project.

**Step 3: Stakeholder communication** After ranking the supporters of your project according to their level of interest and influence, you must now determine how to secure their continued support in your strategic workforce planning.

Every stakeholder has a different reason for being associated with the organisation, which influences their goals for the business. To collaborate with stakeholders efficiently, one needs to ascertain:

- i. Why is this individual involved in the business?
- ii. How can the project fit into their top priorities, and what are they?
- iii. Is there a possibility this interested party will back the project? How are you going to manage that if not?
- iv. After responding to these questions, you're ready to collaborate with project stakeholders.

Selecting the right people to be involved in your strategic workforce planning doesn't have to be difficult or time-consuming. Once you know how to identify and evaluate stakeholders, the process gets a lot easier. Moreover, this methodology guarantees that the collaborators you enlist have a sincere desire to see your workforce planning project succeed and are prepared to make every effort to offer assistance.

### **6.2.3 The Stakeholder Engagement Plan**

Companies utilise a stakeholder engagement plan (SEP) as a tool to tell stakeholders about the project's scope. Maintaining stakeholder engagement in a project promotes operational transparency and internal communication within the organisation. Assuring a consistent, thorough, and coordinated approach to stakeholder involvement and project disclosure throughout the project's duration is the main goal.

Another goal is to show how committed you are. According to current global best practices, the SEP seeks to guarantee that information that is timely, relevant, and easily accessible is the foundation for stakeholder interaction. By doing this, the SEP hopes to guarantee that interested parties have enough chances to express their thoughts and worries and that these issues have an impact on project choices.

#### **a. Objectives of Stakeholder Engagement**

The goals of including stakeholders are as follows:

- i. **Ensuring Understanding:** To guarantee that stakeholders are fully informed about the proposed strategy, an open, inclusive, and transparent process of interaction and communication will be implemented.
- ii. **Including Stakeholders in the Assessment:** Stakeholders were involved in the definition of management/mitigation strategies, the assessment of impacts, and the scoping of concerns.
- iii. **Developing Relationships:** Participation will assist in the formation and upkeep of a fruitful relationship by encouraging candid communication.
- iv. **Managing Expectations:** Through the dissemination of factual information in a comprehensible manner, the engagement process will function as a tool for comprehending and managing stakeholder and community expectations.
- v. **Ensuring Compliance:** The procedure is made to make sure that local laws and best practices from around the world are followed.



## **b. Structure of the Stakeholder Engagement Plan (Sep):**

The following arrangements will characterise the SEP's structure:

- i. Describes the legislative framework at the national and international levels that govern stakeholder participation.
- ii. Offers the project's general strategy for involving stakeholders.
- iii. Describes the current state of stakeholder involvement.
- iv. Describes the grievance procedure that the project will employ.
- v. Provides an outline of the process's record-keeping and oversight procedures.

## **c. Legislative Requirements**

The legislative requirements are as follows:

- i. The Constitution; of the country
- ii. Environmental legislation; and
- iii. Environmental standards and guidelines.

## **6.3 Internal Factors Limiting the Practice of Global HR Management**

Brewster, Sparrow, and Harris (2019) identified six primary internal factors that impact an organisation's human resources. Mission, policies, organisational culture, organisational structure, corporate image, and budget are the contributing elements.

### **1. Mission**

A company's mission is its fundamental goal and the explanation for its existence. The mission statement of an organisation explains why it exists and the special contribution it can offer. People are required to perform assigned jobs at different levels while keeping the company's overarching objective in mind. The organisation's mission has an impact on HRM operations as well.

### **2. Policies**

Within an organisation, policies serve as road maps. Policies specify what is permissible and what is not. These set forth the process for achieving the organisation's goals. Policies indicate the path to reach the destination, whereas objectives represent the final destination.

The following significant policies affect an HR Manager's work:

- i. Giving workers safe working circumstances.
- ii. Inspiring staff members to reach as high as their potential.
- iii. Giving workers compensation that incentivises them to achieve at a high level.
- iv. Giving staff members opportunities for advancement.
- v. Policy provide standard responses to frequently asked queries and outline the procedures to be followed when making decisions.

### **3. Organisational Culture**

The collective set of common values, attitudes, and customs inside an organisation is its organisational culture. It portrays the organisation's character. The organisational culture requires the HR managers to positively adapt.

To create effective HR policies and strategies, it's critical to comprehend the culture that permeates a company. HR managers must make decisions that best represent the company culture and employee attitudes.

### **4. Organisational Structure**

Organisational structures essentially come in two varieties: tall and flat. Organisational structures of the tall or pyramid variety are appropriate for labour-focused businesses. The pyramid depicts the hierarchy of positions in this situation, with authority concentrated at the top. Organisations focused on technology should consider flat structures.

Flat organisational structures are a sign of authority decentralisation. Many contemporary organisations are capital-rich, technologically advanced, and staff members with advanced degrees. These businesses often have a low number of workers at the operating level in their organisational structure. HR managers have a highly important and hard role in today's businesses.

### **5. Corporate Image**

Due to the power that arises in the customer's perception and mind upon hearing the name of the organisation, corporate image and reputation are regarded as critical factors in the overall evaluation of any organisation (Smith, 2019).

Therefore, for an organisation to successfully differentiate its positioning in the market, it must conduct ongoing research on its corporate image and reputation. Brown (2017) defined corporate image as having two primary components. The first is functional and includes easily

measurable and assessable tangible attributes. The second is emotional and includes thoughts, attitudes, and sentiments that an individual may have about the organisation. These psychological elements are the result of the customer's cumulative encounters over time with the company.

## **6. Budget**

Budgets aid organisations in understanding their workforce requirements. It lessens turnover by preventing understaffing and assisting in the development of a plan for retaining talent. It supports all organisations in making the most use of and managing the few resources they have. Estimates make up the budget, which is dependent on uncertain forecasts. Consequently, the availability and calibre of forecasts determine how effective budgetary control will be.

### **6.4 Conclusion**

As previously mentioned, there are many challenges facing HR professionals nowadays, the majority of which are not unique. Keeping up with the fast-changing times is where HRM gets tricky. A competent HR management team will project future changes in the corporate environment and ready both the workforce and the team members for the upcoming challenge. Stated differently, managing workplace challenges requires a robust HR system. Employees can make or break a firm as technology develops and the world adapts to automation and globalisation. As such, it is appropriate to value and care for them.

## 6.5 Illustrative and Practice Questions

### MULTIPLE CHOICE QUESTIONS (MCQ)

1. What is not considered a challenge for HR managers among the following options?
  - a. Attracting top talent
  - b. Embracing change with an open mind
  - c. Building a Diverse Team
  - d. Termination of the workforce
2. Which of the following is not a recommended step for caring for employees' well-being?
  - a. Building a system where work is divided equally amongst the employees
  - b. Managers being trained to increase their emotional quotient to better assist employees
  - c. Creating an environment to allow room for improvement
  - d. Training employees to manage stress better with relaxation techniques.
3. Which of the following is not a correct measure for an HR manager to overcome the challenge of retaining top talent?
  - a. HR professionals ensure that each employee feels recognised.
  - b. Allowing all workforce to participate in decision-making.
  - c. Offering opportunities for further development.
  - d. Investing in the right technology.
4. What defines a stakeholder among the options?
  - a. Somebody who has a stake in the performance of the employees
  - b. Somebody who has an interest in the performance of the management
  - c. Somebody who participates in decision-making
  - d. An individual who has an interest in the performance of a business venture or project and its outcome.
5. What is not considered a benefit for stakeholders among the following options?
  - a. Building better relationships
  - b. Ensuring proper discipline
  - c. Improving role clarity and focus
  - d. Increasing engagement

## **MCQ – SOLUTIONS**

1. D    2. A    3. B    4. D    5. B

## **THEORY QUESTIONS**

1. List and explain issues and challenges HR Professionals face in discharging their duties.
2. Define stakeholder management
3. Explain the internal issues limiting the practice of Global HR diversity employees.
4. Explain how corporate policies limit the practice of Global HRM performance.
5. What do you understand by “STAKEHOLDER IDENTIFICATION”?

## **6.6 Case Study**

Due to the lack of raw resources in the area, ABC Handlooms Ltd. opened a jute bag manufacturing plant in a remote village. The amount of money made turned out to be sufficient to cover the risks and expenses involved. The corporation strategically decided to raise production to achieve more sales after noticing an increasing demand for bags. ABC Handlooms Ltd. chose to employ people from nearby villages to facilitate this expansion, which helped create jobs in a region where there weren't enough. The corporation has pledged to build schools and daycare centres for the offspring of its employees as a considerate step towards community welfare.

### **Questions:**

- i. Identify and explain the objectives of management discussed above.
- ii. State any two values which the company wanted to communicate to society.

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# **CHAPTER SEVEN**

## **PROFILES OF GLOBAL EXECUTIVES AND THEIR INFLUENCE ON HR PRACTICES**

### **Learning Objectives**

At the end of this chapter, students should be able to;

- i. Explain the profiles of global executives.
- ii. Understand the qualities of global executives.
- iii. Explains the patterns of influence of global executives.

### **7.1 Introduction**

Global executives are essentially people who work in a worldwide company, and the type of work they do varies greatly based on the combination of cross-cultural and business relationships that are involved. A global executive's orientation is dependent on various elements, including their duties, tasks, and level of cross-border activity, therefore there is no one template for them (Grant, 2021). A leadership profile functions as a structure that delineates the fundamental attributes anticipated by leaders in each establishment. It serves as a tool for evaluating current leaders and identifying potential future leaders inside the organisation, in addition to serving as a checklist of criteria during the recruitment or promotion processes (Bharti, 2017). Creating a complete leadership profile requires striking a balance between hard and soft talents. Knowledge of the sector and experience in related departments or jobs are important, but so is developing the leadership skills necessary to manage high-performing teams. This chapter undertakes a biographical analysis of prominent global executives, analyses the ideal profile of these leaders, and looks at the patterns of influence that these leaders demonstrate.

#### **7.1.1 Descriptive Analysis of Ideal Profile of Global HR Executives**

An in-depth investigation of the perfect profile for global HR executives entails an extensive assessment of the essential qualifications, responsibilities, and tasks that are essential to the job description of an HR director (Apple, 2017). Known by their common titles, chief HR officers or directors of human resources, these executives oversee HR systems, manage employee relations, make sure regulations are followed, manage budgets, assess workforce needs, hire

new staff, create meaningful training programmes, and create compensation structures. A smart combination of financial acumen, regulatory knowledge, leadership savvy, and a thorough grasp of the nuances of human resources comprise the ideal profile. Considering the constant challenges and various contexts inherent in worldwide operations, this thorough analysis aims to define the multifaceted aspects that make up an optimal profile for global HR leaders.

### **7.1.2 HR Director Requirements (Job Description Template)**

The primary goal of the recruitment process is to find an accomplished HR director who possesses great people skills to supervise personnel administration and guarantee that human resources initiatives and programmes are efficient, effective, and in line with overarching business goals (Johnson & Smith, 2018). The HR director's duties include managing HR staff, handling employee complaints, fostering employee growth, improving job satisfaction, creating onboarding protocols, putting business-aligned HR strategies into practice, estimating staffing needs, reducing risks, putting benefit packages together, keeping track of employees, managing budgets, setting up accountability systems, and supervising all employment requirements (Williams & Davis, 2019). A strong work ethic, good communication skills, a thorough understanding of labour laws and HR procedures, the capacity for strategic thought, organisational prowess, and exceptional interpersonal skills are all necessary for the ideal applicant. The ideal HR director will be required to manage job satisfaction, attract top talent, implement business growth strategies, boost morale and employee retention, improve safety and wellness, and strengthen relationships between employees and employers.

### **7.1.3 HR Director Requirements (Job Specification Template)**

The ideal candidate for this position will have a bachelor's degree in human resource management, be exceptionally organised, have strong interpersonal skills, be meticulous in their attention to detail, be skilled at problem-solving, have experience managing budgets, be well-versed in labour laws and regulations, and be computer literate (Thompson & Baker, 2020). The ideal applicant will further contribute to the success of the team and organisation by demonstrating a strong work ethic, strategic thinking ability, strong organisational skills, and great interpersonal skills.

### **7.1.4 Top 5 Leadership Attributes**

The following are the top five leadership qualities that are essential for successful leadership:

- i. **People Skills:** Effective communication requires not just choosing the proper words to say but also skillfully adapting communication techniques to each individual to engineer the intended results (Davis & Miller, 2018).
- ii. **Establishing Trust and Confidence:** By always keeping their word, exemplary leaders build credibility and inspire confidence in their ability to lead (Bharti, 2017).
- iii. **Effective Delegation:** Great leaders use delegation as a tactical instrument to improve each team member's abilities with the ultimate objective of raising the team (Delbridge & Keenoy, 2010).

## **7.2 Biographical Reading of Influential HR Global Executives**

### **Influential Hr Executives across South-East Asia**

#### **1. Harry Permadi Dirganato**

Harry Permadi Dirganato is a seasoned HR professional with vast experience in the strategic field of human resources. He currently holds the position of Vice President of Human Resources at Shell Indonesia. His expertise covers a wide range of crucial topics, including HR blueprint development, organisational restructuring, talent management, culture and change management, and post-merger integration. Known for being an enthusiastic leader, he can deliver programmes quickly and effectively while also providing detailed, incremental mid-to-long-term goals that serve as a strategic roadmap for upper management. To accomplish overarching organisational goals, Harry is an advocate for the synergistic integration of diverse HR components.

#### **2. Irvandi Ferizal**

Since taking up his position at Maybank in 2015, Irvandi Ferizal has reinforced his standing as a key player in the HR sector in Indonesia. Irvandi has accumulated substantial experience in the area throughout an outstanding 30-year career. He has held important roles at prestigious companies like Mondelez Indonesia, TNT Indonesia, Nokia Siemens Network, Kalbe Farma, and Southeast Asia on the ISC business unit. His great commitment to supporting HR professionals' success in Indonesia and throughout the ASEAN region is evident as an industrial and organisational psychologist. Irvandi was the Chairman of the Indonesia HR Association (PMSM) from 2013 to 2016.

### **3. Dudi Arisandi**

As Chief People Officer of Tiket.Com, Dudi Arisandi oversees general business, procurement, and all aspects of human resources. Dudi has over eighteen years of experience in the HR industry and was instrumental in the company's recognition by HR Asia with awards like "Best Company to Work for" and "Most Caring Company." Currently committed to putting into practice a comprehensive employee experience strategy, which includes efforts to improve employer branding, he holds a master's degree in industrial engineering from the Institute Teknologi Bandung.

### **4. Rosalina Sirait**

Rosalina Sirait works for PT. Pegadaian as an employee engagement manager. She is a seasoned HR professional with a wealth of knowledge in a variety of cross-functional HR domains, such as HR operations, internal and external communication, event management, business partnership, talent acquisition, employer branding, talent and organisation development, and culture and employee engagement. Rosalina has held important positions in human resources for respectable firms including Procter & Gamble and Traveloka in the past.

### **5. Yusnita Febriati**

Yusnita Febriati serves as the Head of Human Resources at Upfield. She started her career as an account executive at Indo Pacific Edelman. She has since held prestigious roles at British American Tobacco, Danone Aqua, PT HM Sampoerna Tbk, Consultant at Asia Select Indonesia, Senior Recruiter at the Agency, and Senior Talent Manager at British American Tobacco. Yusnita is an expert in employee assessments, learning and development, talent management, and talent acquisition.

### **6. Swasono S**

Swanson is the Chief Human Resources Officer of the Energy and Digital Technology Business at Tec Connect Innovation Center. He has led teams throughout Asia Pacific and holds certificates in human resources management, leadership academy, and services from Carnegie Mellon University's Heinz College of Information Systems and Public Policy. With more than 29 years of experience, Swasono Satyo is a seasoned human capital development professional who has helped multinational companies in a variety of sectors, such as mining, oil and gas, FMCG, and mining.

## **7. Ferhat Wideru**

He is the Senior Vice President and Head of Business HR at Danamon Indonesia. An accomplished HR specialist, he currently serves as an HR Business Partner, offering management guidance and assistance on a wide range of HR-related strategic and operational issues. Before joining Citibank, Ferhat worked as the AVP of Compensation and Benefits, where he oversaw creating, managing, and putting into effect the compensation and benefit plans of the organisation. He graduated from Bogor Agricultural University with a bachelor's degree in industrial engineering and Pascasarjana MB-IPB with a master's in human resources.

## **8. Anung Anindita**

Anung is a seasoned professional who is well-known for his proficiency in creating policies and procedures. He offers extensive experience in labour relations, managerial assistance, pay schemes, personnel development, and performance evaluation. He has a track record of success in organisational growth, talent management, performance assessment, and negotiations. Anung is well-known for leading HR strategically and for having made significant contributions to a range of initiatives and commercial ideas. His responsibilities also include working with senior operating and leadership executives, which emphasises how important he is to the development of organisational excellence.

## **9. Suryo Sasono**

Suryo Sasono is a multifaceted generalist in the area, having experience in business, human resources, and engineering. With a background in managing large-scale outsourcing projects, coordinating company-wide reorganisations, and spearheading cross-functional global projects, he has created thorough HR hire-to-retire procedures. With an MBA from INSEAD and a bachelor's degree in industrial engineering from Bandung Institute of Technology, Suryo is a valued counsellor to company leaders on human capital strategy and execution.

### **Influential Hr Professionals in India**

They are our role models and from their experiences, we get to learn a lot. Learn below about India's most successful HR Professionals in India.

## **10. Ajoyendra Mukherjee**

At TCS, Ajoyendra Mukherjee has the essential role of Executive Vice President and Head of Global Human Resources. In this job, he is vital to TCS's 300,000 professionals' smooth operation and contributes to their ability to meet the company's everyday difficulties. Leading the charge in efforts to develop a highly competent and competent team is Ajoyendra, an accomplished HR specialist. As evidence of his dedication to the highest standards in human resources, his contributions have been crucial in TCS's receipt of multiple Talent Management awards.

## **11. Nandita Gurjar**

Nandita Gurjar serves as the Senior Vice President and Head of HR at Infosys. She was previously the HR department head of Infosys BPO, with an impressive tenure. With five offices in India and six worldwide, Nandita oversaw the expansion of the HR department to support a business that reached US\$250 million and employed 16,000 people. Her performance was extremely noteworthy. She established the Learning and Development unit upon joining Infosys in 1999 and set standards for the education, advancement, and development of staff members.

In addition to her work at the company, Nandita is a member of the Global Advisory Council on New Models of Leadership at the World Economic Forum. As one of the most influential women in India, she has been recognised with honours including the Human Capital Business Leader of the Year award, which highlights her significant contributions to the industry.

## **12. Saurabh Govil**

Saurabh Govil holds the position of President and Chief Human Resources Officer at Wipro. He is responsible for managing all facets of the Human Resources department and answers directly to the CEO. In this role, Saurabh oversees the execution of learning and development initiatives, staff retention, and talent management throughout the entire organisation. Holding a master's degree in human resources from XLRI, Jamshedpur, he contributes a plethora of knowledge to his position. Saurabh is also known for his speeches at NASSCOM's HR summit and for being a member of SHRM India's Advisory Board. Wipro's organisational development and human capital management greatly benefit from his strategic leadership.

### **13. Rajan Dutta**

Rajah Dutta is chair of Reliance Communications Human Resources (RCOM). Its range of authority encompasses growth, quality in the organisation, and involvement. His primary goal is to establish a "happy people's organisation" by inspiring all staff members to work effectively and efficiently. To complete the organisation's tasks, Dutta guarantees the workers' full engagement, dedication, and commitment. Dutta has 27 years of expertise in the quality control and human resources fields.

## **Influential Hr Professionals in Europe**

### **14. Josh Bersin**

Josh Bersin, chief HR officer and founder of Bersin by Deloitte is a global HR research icon, with 60% of Fortune 500 organisations considering him to be the best in the business. Frequently providing professionals with essential insights from his company's papers, studies, and briefs, Bersin uses social media sites like LinkedIn and Twitter to share important content. He offers in-depth descriptions of his study and shares viewpoints from other reputable sources on LinkedIn. His Twitter account also provides links to his most recent writings and updates followers on HR news. Bersin extends special invitations to virtual events and provides views into conferences and client visits throughout the world. His dedication to improving HR procedures makes him a respected thought leader in the field.

### **15. Meghan Biro**

Meghan Biro, the founder and CEO of Talent Culture, stands as a prominent figure in the global business landscape. Biro has a history of working with leading international businesses and is an expert in both hiring top individuals and maximising productivity and potential. Well-known for her experience as a writer and speaker, she regularly participates in podcasts, radio shows, and internet forums. Under Biro's direction, the lively Work Trends Podcast and Twitter Chat provide a forum for direct communication between attendees and top HR professionals. She has influenced modern viewpoints on talent management and organisational growth with her many contributions.

### **16. Laszlo Bock**

The inspiring story of Laszlo Bock, who fled communist Romania as a refugee and went on to become a top executive at Google, enthralls audiences. Having served as Google's Senior Vice

President of People for over 30 years, Bock was a key figure in the company's extraordinary successes, garnering more than 100 honours for being a top employer and winning titles like "Best Company to Work for." Bock is a pioneer in organisational excellence because of his efforts, which have established industry standards around the world. With his honest and straightforward tone, his tweets and posts on LinkedIn provide readers with a close-up look at the thoughts and lives of one of the most creative and exciting HR and business professionals of today.

### **17. Sharlyn Lauby**

Sharlyn Lauby, renowned as the author of the highly regarded HR and business blog, HR Bartender, serves as the President of ITM Group Inc., an HR consulting firm dedicated to aiding organisations in achieving consistent employee engagement and retention. Regarding organisational skill development, training, employee relations, job design, and HR compliance, among other HR-related topics, Lauby writes with an open and knowledgeable voice. She keeps up an active presence on LinkedIn, where she has published dozens of articles offering her perspective on current HR trends and concerns. Through her active engagement on Twitter, Lauby contributes her experience to enhance HR-related Twitter discussions with professionals and consultants.

## **Influential Hr Professionals and Innovators in Nigeria**

### **18. Rabi Adetoro**

Rabi Adetoro holds the position of Senior Human Resources Business Partner at MTN Nigeria, bringing over 15 years of diverse business leadership experience spanning the Tourism, Telecommunications, FMCG, and Financial Services sectors. Over her professional life, she has pioneered the creation and use of numerous HR models for both domestic and international companies. Fundamental ethical principles like honesty, a drive for perfection, and open-mindedness form the basis of Adetoro's strategy. She is notable for being a John Maxwell Team-affiliated speaker, trainer, and certified coach. Adetoro is also certified as a Global HR Practitioner and a Strategic Workforce Planning Expert.

### **19. Emmanuel Micheal**

With more than 20 years of managerial expertise in a variety of industries, including financial services, hospitality, information technology, multidisciplinary engineering, and hospitality,



Emmanuel Michael is an accomplished and in-demand strategic business leader. He has been practising human resources management for more than 17 years, and he is currently Letshego MFB's Head of People and Culture - Nigeria. Emmanuel is not only the host and founder of HRwithEM but also an adjunct faculty member at Eudoracity Business School. His experience includes working at Coleman Research Group as an Executive Forum Member. Emmanuel has several noteworthy certificates, such as the Microfinance Certified Banker and the Global HR Practitioner (SPHR, HRPL, MCIPM, MITD) certifications. He holds an MCIB designation from the HR Certification Institute (USA), indicating his expertise in the field.

## **20. Adeshola Aliogo**

Adeshola Aliogo founded NairaJobHub and currently holds the position of Head of People Operations at Vendease. She has over 10 years of varied expertise in the FMCG, logistics, and management consulting industries. Adeshola has experience and practical understanding in a range of HR areas, including performance management, learning and development, HR transaction services, talent acquisition, and talent management. She has made a significant contribution to initiatives that raise the bar for HR service delivery and increase employee engagement.

## **21. Ijeoma Nkwonta**

Ijeoma Nkwonta is a seasoned HR consultant and Executive Technical Recruiter affiliated with TIE Consulting Limited. She also teaches adjunct HR courses at EduBridge Academy and acts as a career coach. With a diverse work path, Ijeoma is acknowledged as a Certified Global Professional in Human Resources. Her knowledge includes overseeing hiring initiatives in a variety of sectors, including fintech, gaming technology, FMCG, biotech, oil and gas, and healthcare services. She aims to positively impact African youth's individual lives, businesses, and the larger African community through her work as an HR Faculty lecturer, actively assisting in their preparation for the workforce.

### **Patterns of Influence of Global Executives**

- a. **Role Modelling:** In leadership, role modelling is the act of assuming inspirational traits and demeanours to favourably impact others. By setting an example for their staff, leaders stress personal accountability (Bharti. 2017). When leaders exhibit courage and take calculated risks, their team members gain confidence. In addition to inspiring and valuing their staff, effective role models create a happy workplace. Leaders who value

people foster an environment of support and appreciation, which is essential for team morale and output.

- b. **Mentoring:** According to Apple (2017), executive mentoring is the practice of seasoned, high-ranking personnel working closely with newly hired staff members to instruct and model the abilities, know-how, and responsibilities of a position or company. Building on their relationship, the mentor and mentee collaborate to generate work and enhance operations.

### **Benefits of Executive Mentoring:**

- i. Professional development
  - ii. Increased performance
  - iii. Professional networking
  - iv. Constructive feedback
  - v. Tips for finding a mentor
  - vi. Consider experience
  - vii. Connect with executives
  - viii. Set your goals
  - ix. Discuss your values
- c. **Coaching:** Building a supportive relationship between the coach and the person seeking assistance is a key component of coaching. The idea that people can find answers to their problems by raising their awareness with a coach's help is one of the main concepts of coaching (Grant, 2021). A wealth of research indicates that coaching has a significant positive impact on self-esteem, general performance, and well-being. When a manager receives professional coaching, the team benefits as well since the manager brings the mentoring, leadership development, and coaching culture into the organisational setting.
  - d. **Performance coaching:** Performance coaching is a continuous process that involves communication, support, direction, and advice. Unlike traditional approaches that depend on forms and ratings, this model gives teams autonomy and decision-making authority, promoting collaboration in the pursuit of a shared goal. In this context, a manager takes on more of the role of coach than director, serving as a sounding board, a constructive critic, and a repository of concepts and wisdom gained from years of experience (Grant, 2021). To achieve this, one must shift from a managerial style that

is judgmental to one that emphasises active listening, inquiry, facilitation, integration, and support.

### **Benefits of Coaching**

- i. Self-awareness
  - ii. Resilience
  - iii. Collaboration
  - iv. Self-efficacy
  - v. Communication
  - vi. Work-life balance
  - vii. Increased mental health
  - viii. Empowers individuals
  - ix. Increase employee engagement
  - x. Increase individual performance
  - xi. A deeper level of learning
  - xii. High employee commitment
- e. **Sponsoring:** An executive sponsor is a crucial member of the leadership team who is responsible for setting the goals. Their participation is frequently essential to achieving the desired results (Thompson & Baker, 2020). An executive sponsor must exhibit these essential qualities and know when to use them to promote significant change for the benefit of the business:
- i. Vision
  - ii. Authority
  - iii. Commitment to the initiatives
  - iv. Leverage
  - v. Goodwill
  - vi. Sense of urgency
  - vii. Willingness to confront obstacles
  - viii. Talent for communication
  - ix. Attention to resources
  - x. Public behaviour modelling skills
  - xi. Endurance
  - xii. Trust

## **7.4 Conclusion**

A leadership profile outlines the fundamental qualities that executives in your company should possess. This framework functions as a tool for evaluating present leaders and finding prospective persons with leadership potential within the organisation, in addition to serving as a checklist during hiring or promotion procedures. Strong interpersonal skills, the capacity to inspire confidence and trust, efficient delegating, competence in performance coaching, and the capacity to influence people are critical qualities for global CEOs. All of these factors work together to help build and evaluate the leadership skills necessary to succeed in a fast-paced, international corporate environment.

## 7.5 Illustrative and Practice Questions

### MULTIPLE CHOICE QUESTIONS (MCQ)

1. Which of the following is not considered a quality of effective leadership?
  - a. People skills
  - b. Inspiring trust
  - c. Delegating effectively
  - d. Proficiency in assessing character
2. How is a global executive typically defined?
  - a. Someone working in the public sector
  - b. Managing Director of a PLC company
  - c. Someone engaged in global work
  - d. Someone effectively managing a workforce
3. The term for a person who inspires others through various attributes is known as role \_\_\_\_\_
  - a. Modelling
  - b. Mentoring
  - c. Character
  - d. Sponsoring
4. Which of the following is not considered a benefit of Executive mentoring?
  - a. Professional development
  - b. Professional networking
  - c. Increased performance
  - d. Professional teaching
5. What is not regarded as a benefit of coaching?
  - a. Self-awareness
  - b. Resilience
  - c. Support
  - d. Collaboration

### MCQ – SOLUTIONS

1. D    2. C    3. A    4. D    5. D

## **THEORY QUESTIONS**

1. Define Global Executive.
2. List and explain the ideal profile of Global Executives.
3. Describe the Biographical Reading of Influential Global Executives.
4. Explain what you understand by Role Modelling.

## 7.6 Case Study

After completing their master's degrees in business administration, Anju and Manju have carefully planned their job paths to correspond with their respective areas of interest. Seeking to establish shared guidelines for organisational administration, both have taken up managerial positions in different businesses. Anju has decided to work in marketing for a retail company to increase sales, while Manju has chosen to work for a non-governmental organisation (NGO) that is committed to achieving goals associated with job placement for people with disabilities. In their different capacities, Anju and Manju carry out a variety of ongoing, intricate tasks. Anju's duties include everything from carefully organising display layouts for the future to attending to staff grievances. In a similar vein, Manju commits her time and energy to the admirable goal of empowering people with disabilities and helping the NGO to achieve its objective. With their different teams made up of people with varying needs and histories, both managers take the initiative to promote cooperation and a sense of team spirit. This intentional effort plays a key role in fostering a cohesive workplace culture. Their achievement of targets in line with strategic plans demonstrates the tangible influence of their managerial expertise in their respective departments. In addition, staff happiness and satisfaction serve as a testament to how well their management style works in creating a productive and orderly environment as opposed to one that is chaotic.

### **Question:**

Give examples from the paragraph above that illustrate the different aspects of management.

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## **CHAPTER EIGHT**

### **THE APPLICATION OF GLOBAL HR MANAGEMENT TECHNIQUES IN MANAGING DISPERSED WORKFORCE**

#### **Learning Objectives**

At the end of this chapter, students should be able to;

- i. Explain the meaning of dispersed workforce.
- ii. List and discuss the characteristics and the essence of a dispersed workforce.
- iii. Highlight and explain the various techniques of managing a dispersed workforce.

#### **8.1 Introduction**

Those who work for a firm or business unit but are in different places are part of a scattered workforce. This is a situation where employees who work at desks are working remotely from their homes or a variety of satellite offices. Front-line employees may also be part of a dispersed or distributed workforce, especially if they hold mobile jobs that need them to go to off-site locations, such as maintenance workers for power utilities (Gartenswartz & Rowe, 2022). Within the framework of international team management, a distributed workforce may span several time zones and several physical locations (Adler, 2021).

An organisation's or business unit's workers who work from several different places are referred to as a scattered workforce. This situation involves employees who work at desks but can work remotely from home or a variety of satellite offices. Front-line workers may also be part of a dispersed or distributed workforce; this is especially the case for individuals in mobile jobs who need them to go to off-site areas, like power utility maintenance technicians (Gartenswartz & Rowe, 2022). A distributed workforce might span several time zones and a variety of geographic locations in the context of global team management.

##### **8.1.1 Characteristics and the Essence of a Dispersed Workforce**

- i. **Mutual Trust:** Any organisation's foundation is trust. Allowing employees to complete their tasks without providing instructions is one of the best ways to keep employees engaged. Workers ask each other for advice and discover a multitude of approaches to completing a given work. A highly motivated team doesn't require constant direction.

With trust and assistance from one another, they can do their jobs (Forbes Insights, 2012).

- ii. **Job and Career Satisfaction:** One of the key traits of a motivated workforce is job satisfaction. A person who is happy with their profession and the direction their career graph is taking is more likely to remain with the company for an extended length of time (Adeniji et al., 2019).
- iii. **Credible Leadership:** An engaged workforce can occasionally complete a task without the need for instructions. Workers are knowledgeable about the best ways to accomplish tasks (Ayodotun et al., 2018).
- iv. **Completely focused and eager to take on challenges:** An engaged staff is well-organised and aware of what needs to be done. They are constantly eager to take on new tasks, learn new skills and find solutions to the organisation's current issues (Doktor et al., 2020).
- v. **Better Performance:** Improved performance is a direct result of higher employee engagement. The only way to gauge how committed, engaged, and engaged workers are in their work is through employee performance. Nothing has any significance if these elements are not connected (Osibanjo et al., 2020).
- vi. **Problem-Solving Attitude:** An engaged workforce consistently approaches problems in addition to carrying out their duties. A highly engaged employee shows a feeling of loyalty to the company and goes above and beyond to resolve issues that stand in the way of the company's success (Kamasak & Yucelen, 2007).

## **8.2 Techniques of Managing a Dispersed Workforce**

The norm of managing distributed teams in professional services organisations today is very different from what it was twenty years ago. It is common for project managers, resource managers, department managers, and leaders in other jobs to oversee resources that are not physically positioned next to their team members (Kossek, Lobel & Brown, 2021). This common situation has its own set of difficulties even though it provides greater flexibility and access to talent from around the world. Following essential principles is essential for effective navigation, particularly in initiatives involving customers. Implementing best practices that promote communication, cooperation, and project success in a setting where physical proximity is no longer the major predictor of team cohesion is essential for managing dispersed teams effectively. Some of the key concepts are as follows:

- i. Efficient and Effective Communication:** Ensuring efficient and effective communication is a project manager's or team lead's primary duty, made much more crucial when overseeing resources that are not physically available. Carefully arranging the means and timing of communication is crucial in project management. Even if it is brief, the team should work together to create a communication plan to guarantee a common understanding and proactive communication throughout the project (Kossek, Lobel & Brown, 2021).
- ii. Flexible Work Arrangement:** Adjusting regular work schedules to meet the needs of workers outside obligations entails creating flexible work arrangements that include shifts in hours, schedules, and locations (Oludayo, et al., 2018). HR managers find that this method, which balances meeting organisational goals with individual needs assessment, is crucial for managing distributed workforces.
- iii. Regular internal team meetings:** Attending regular team meetings is a beneficial habit that promotes harmony and cohesion among team members, despite their geographical separation (Doktor et al., 2020). This method improves team effectiveness by fostering collaboration and assuring coordinated activities and task execution.
- iv. Peer Review Mechanism:** Whether the team is physically based in one place or elsewhere, this idea is important. Its significance, however, increases when it is not feasible to physically walk a document to the next office for examination. It is possible to assume that team members are actively reviewing and editing team documents when there isn't face-to-face communication (Kamsak & Murat, 2007).
- v. Automation of Work Processes:** Maximising automation becomes essential to improve the information sharing and collaboration experience while leading a project team or functional team with geographically distributed members. Despite physical distance, automation tools can promote efficiency and cohesion by streamlining collaboration, document sharing, and communication procedures.
- vi. Exchange of Personnel Regularly to Build Interpersonal Relationships:** Building a stronger manager-staff relationship over time is crucial. This kind of neglected relationship can result in shorter staff tenures and higher turnover rates, which can cost the organisation money in lost knowledge transfer, orientation time, and employee training. Regular face-to-face meetings, even if they only occur once every six months or so, can help manage virtual staff relationships, since many problems can be resolved or avoided (Osibanjo et al., 2020).

- vii. **All-in-One Summit Bringing Everyone Together:** When there is a lack of consistent physical presence, it is helpful to make sure that everyone gets together for a two- or three-day team meeting once a year at the latest. This change gives the manager the chance to meet new hires, do team-building exercises, have direct conversations about procedures, and work with the team to come up with ideas for changes that would increase productivity (Kossek, Lobel, & Brown, 2021).

### **8.3 Conclusion**

Although employers understand the benefits of having a diverse workforce, managers still have difficulties creating safe and welcoming work environments for their employees. Efforts to manage workplace diversity include diversity skills training, top-level management commitments, mentoring (a more seasoned member guiding a less seasoned one), and the creation of employee resource groups, which are groups of employees connected by a shared aspect of diversity. For organisational leaders, effective diversity management is still a work in progress despite these efforts.

## 8.4 Illustrative and Practice Questions

### MULTIPLE CHOICE QUESTIONS (MCQ)

1. Among the following, which is not considered a characteristic of a dispersed workforce?
  - a. Mutual trust
  - b. Knowledge and wisdom
  - c. Job and career satisfaction
  - d. Credible leadership
2. Which of the following is not a technique for managing a dispersed workforce?
  - a. Proper coordination of the organisation's activities
  - b. Efficient and effective communication
  - c. Flexible work arrangement
  - d. Regular internal team meetings
3. In the context of work arrangements, what does flexible work arrangement entail?
  - a. Job rotation
  - b. Quality circle
  - c. Changes to the hours, patterns, and location of work
  - d. Job enrichment
4. The level of employee engagement can be measured by which of the following?
  - a. Education and knowledge
  - b. Qualification and experience
  - c. Knowledge and ability to perform
  - d. Willingness and ability of employees to contribute to the success of their organisation.
5. How is a dispersed workforce defined?
  - a. The workers within a company who are in different areas.
  - b. Workers working together in unity
  - c. Distributed workers according to qualifications
  - d. Dispersed workers refer to a workforce with competent ability.

### MCQ - SOLUTIONS

1. D    2. B    3. C    4. D    5. A

## **THEORY QUESTIONS**

1. What are the key characteristics of a dispersed workforce, and what is the essence of managing employees in diverse geographic locations?
2. How does effective communication serve as a critical technique in managing a dispersed workforce, and what tools or strategies can enhance remote collaboration?
3. How does automation contribute to managing dispersed teams, and can you provide examples of technology facilitating streamlined work processes?
4. As an HR manager, how can you effectively implement flexible work arrangements and integrate a peer review mechanism to enhance collaboration in a dispersed workforce?
5. Can you provide five examples of workforce scenarios where employees are dispersed geographically, and how does this impact their work dynamics?

## **8.5 Case Study - But...It's Our Company Culture**

Over my three months as HR manager for a fifty-person company that develops and markets plastics technologies, I have noticed several worrying aspects of the company's multiculturalism. In addition to the first wage talks, some important elements are as follows:

1. The sales team, which includes the sales manager, meets once a month at a strip club.
2. Comments from a Hispanic departing employee who complained about not being aware of prospects for advancement.
3. There aren't many amenities for nursing moms; the women's restroom is the only place they can go.
4. A corporate policy that pays out \$200 as a reward to staff members who successfully recommend candidates and hire them for a minimum of six months.
5. Enforcing an "English only" rule on the production line.
6. Managers make disparaging remarks about those who wear turbans.

### **Questions:**

In what ways can we actively promote workplace inclusivity without undermining the current organisational culture? What focused programmes and guidelines may be put in place to handle issues related to diversity while maintaining the company's distinct character and core values?

What specific guidelines are available for promoting inclusivity when it comes to language policies, professional development, breastfeeding facilities, employee referrals, social events, and courteous communication?

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## **CHAPTER NINE**

### **GLOBAL INITIATIVES AND MODERN METHODS FOR THE MANAGEMENT OF PUBLIC CORPORATIONS**

#### **Learning Objectives**

At the end of this chapter, students should be able to;

- i. Explain the concept of personal management.
- ii. Highlight and discuss the functions of personnel management in the Public Sector.
- iii. Explain the structure of the public sector.

#### **9.1 Introduction**

In a workplace, human resource management is responsible for strategic planning, organisation, and control of critical operational tasks about the hiring, training, development, and use of human resources. The activities include hiring talent, training employees, managing pay, and maintaining human resources inside a company (Mensah, Shukla & Iqbal, 2023). This chapter examines the essential roles that human resource management plays, particularly in the public sector, as well as its structural elements. The chapter also covers the public sector's intricate organisational structure, the critical role of people management, and a few case studies that highlight HR management in the public sector.

##### **9.1.1 Introduction to Personnel Management in the Public Sector**

The following are the objectives of human resource management, which are relevant to both the public and private sectors (Tian, 2015; Zhao & Zhao, 2021).

- i. Assure the efficient use of human resources to achieve organisational objectives.
- ii. Assist the firm in acquiring suitable persons to fulfil its workforce needs.
- iii. Promote staff retention by maintaining and improving current conditions, which will raise morale and strengthen human relations within the company.
- iv. Provide fair and sufficient compensation, together with social and economic security in the form of monetary compensation, to recognise and meet the requirements of both individuals and the collective.

### **9.1.2 Categories of HR Management Functions in the Public Sector**

There are two primary categories into which HR Management functions in the Public Sector fall:

a. Roles in Management:

The roles in management include but are not limited to the following (Ahmed, F., Hassan, Ayub & Klimoski, 2018; Muchiri et al., 2020)

- i. Strategic Planning: Match organisational goals with human resources.
- ii. Organising: Create a framework for the workforce's duties and tasks.
- iii. Controlling: Put procedures in place to keep an eye on and evaluate processes about personnel.

b. Operational Functions:

The operational function as noted by Koednok & Sungsanit (2018) and Mensah et al., 2023) is stated as follows.

- i. Recruitment and Selection: Find, evaluate, and select qualified applicants for a range of roles.
- ii. Training and Development: Through focused learning programmes, improve the skills and capacities of your staff.
- iii. Benefits and Compensation: Create competitive and equitable compensation plans.
- iv. Employment relations: Foster a happy workplace by resolving issues and encouraging unity.
- v. Performance appraisals assess worker performance and offer comments.
- vi. Management of Personnel Records: Ensure that employee records are correct and private.
- vii. Management of Compliance: Ensure that personnel affairs comply with all applicable laws and regulations.

### **9.1.3 Public Sector**

In the public sector, the political process is closely related to the management of personnel functions. However, longer lines of command in the public sector tend to depersonalise the working relationship of employees (Bos-Nehles & Veenendaal, 2019). Nevertheless, in light of the government's singular position as a trailblazer, the management of public sector workforce

activities requires policies that are in line with political stability and economic reality. In addition, it demands a dedication to preserving democratic values and industrial harmony. The unique obligations of the public sector highlight the necessity of striking a careful balance between efficient governance, financial concerns, and employee welfare.

#### **9.1.4 Features of Personnel Management Functions in the Public Sector:**

Characteristics of Human Resource Management Public sector roles frequently display traits like these:

- i. **Incoherent Structure:** Lack of cohesiveness and coordination in public personnel functions often results in inconsistent practices.
- ii. **Broken Down Organisation:** Public personnel services frequently have a disjointed organisational structure, with several components functioning on their own.
- iii. **Insufficient Coordination:** Public personnel activities frequently have a lack of coordination, which leads to inefficiencies and difficulties in meeting organisational objectives, especially in developing economies.

These characteristics highlight the necessity of organising and coordinating people management tasks more effectively within the public sector, particularly in emerging nations (Gardner, 2019).

#### **9.1.5 Various Organs Responsible for HR Management Functions in the Public Sector**

Several organs are essential to the management of personnel functions in the public sector (Pindiga, 2009). Among these are:

- i. **The Ministry of Establishment** is responsible for managing staff in the public sector by supervising and organising its operations. It frequently creates rules, protocols, and policies about matters of personnel.
- ii. **The Public Service Commission** is in charge of making sure that hiring, promotions, and disciplinary actions in the public sector are conducted fairly and transparently. It performs the role of an administrative body regulating hiring procedures.
- iii. **The Head of the Civil Service:** The Head of the Civil Service is a crucial figure in leadership, setting the overall direction for personnel administration. Creating and carrying out policies that impact the entire civil service is a common task for this post.

### 9.1.6 Structure of Federal Civil Service in Nigeria

Following independence, the Nigerian Civil Service underwent significant changes that characterised its transition from British colonial-era institutions. Important commissions that shaped the early organisational framework, including the Margan, Adebo, and Udoji Commissions, had an impact on the fundamental development. Nigeria changed its constitution in 1979 after gaining independence in 1960 and implementing an American-inspired system of government. This brought about a major shift away from the parliamentary system of governance and towards a more decentralised one. Under General Ibrahim Babangida's direction, the 1988 Civil Service Reorganisation Decree was a turning point. This decree brought about reforms targeted at improving governance and administrative procedures, which had a significant and long-lasting effect on the composition and effectiveness of the Civil Service. After military rule ended in 1999, there have been ongoing reform initiatives, but problems still exist in the Civil Service. In 2009, Stephen Osagiede Oronsaye, the Head of the Civil Service, made important proposals because he pursued maximum efficiency and effectiveness. Among his reform proposals was the promotion of eight-year term restrictions for permanent secretaries and directors. The objective of this campaign was to force significant retirements from these positions, which would primarily impact those from the north. President Umaru Yar'Adua approved this reform to revitalise and streamline the Civil Service while bringing it into line with international best practices. Oronsaye's ambition for the Nigerian civil service during his term was to make it one of the world's most efficiently managed and organised. Attaining optimal organisational performance and eliminating historical inefficiencies remained issues as of November 2010, the month he announced his resignation. The process of bringing the Civil Service up to date with modern governance requirements while maintaining its current level of efficiency and responsiveness is reflected in its journey.

In Nigeria, civil servants fall into various categories, each of which is responsible for a certain function within the public administration. These courses are:

- i. The Administrative Class, which consists of the highest-ranking civil servants, is in charge of planning and directing the operations of government ministries. These people are essential to the creation of policies and high-level decision-making.
- ii. Executive Class: Civil servants in charge of carrying out policies and guaranteeing the efficient operation of government initiatives are members of the Executive Class. They serve as a link between administrative decisions and their actual application in practice.

- iii. Professional Class: Individuals in the Professional Class have specialised knowledge in a range of vocations, including engineering, medicine, law, and other sectors. They provide their specialised knowledge to help shape and direct government programmes and policies.
- iv. Clerical Class: Civil servants in this class are in charge of general office work, data input, record-keeping, and other administrative support responsibilities. They are essential to keeping government offices running daily.
- v. Auxiliary Class: Civil servants who offer auxiliary or support services fall under this category. Roles in security, maintenance, and other support tasks necessary to keep government buildings and offices operating smoothly may fall under this category.

### **9.1.7 Structure of Local Government in Nigeria**

The federal, state, and local governments are the three branches of government. The National Assembly supports state legislation that establishes local administrations. There are 768 local governments, and a further six area councils in the FCT, totaling 774 authorities. Elected authorities, comprising a chairman and council members, oversee the administration of local government. The local government area's citizens usually elect the chairman, the highest-ranking officer in the local government. Within the local government, the council members participate in decision-making procedures and represent several wards. In addition to ensuring that governance is responsive to the varied requirements of Nigeria's numerous communities, this decentralised system aims to advance participatory democracy. Nigeria's efforts to encourage inclusive growth and efficient governance in all areas depend heavily on the local government system. Local governments are responsible for setting up committees by the law, however, the committees' duties are not clearly defined. A chairperson leads each executive committee, and their duties are outlined in state government legislation (Idonor & Ovuaarkpo, 2021).

### **9.1.8 Recruitment, Selection and Placement**

To create a talent pool from which decisions can be taken, recruitment is a complex process aimed at luring and involving possible job applicants. It includes initiatives aimed at luring people who possess the abilities, credentials, and traits required for positions inside an

enterprise. To meet the personnel demands of the organisation, the main goal of recruitment is to create a qualified and diversified pool of candidates.

The selection procedure begins after the recruitment stage. To determine who is most suited for the position, selection entails a thorough assessment and comparison of applications from the pre-existing pool. To find the best fit for the organisation's needs, this involves evaluating credentials, experience, talents, and other pertinent factors. A successful selection process guarantees that the selected candidates closely match the job requirements and organisational goals.

Placement is the stage that occurs after selection. Placement refers to the deliberate distribution of duties among staff members according to their credentials, expertise, experience, and knowledge. By placing each person in a role that best suits their skills and abilities, the organisation may function as effectively as possible. Placement done well has a positive impact on worker happiness, output, and overall business performance.

### **9.1.9 Employment Process**

The goal of the employment process is to find the most qualified applicants for open positions through a methodical series of procedures. The following is how it plays out:

- i. **Completed Job Application:** To start the process, prospective employees must send in thorough job applications outlining their education, training, and work history about the role.
- ii. **Preliminary Screening Interview:** The purpose of the first screening interview is to determine a candidate's suitability for the position and basic credentials. This stage assists in sifting applications according to crucial standards.
- iii. **Testing:** Depending on the needs of the position, testing may consist of assessments, aptitude tests, or skill evaluations. This phase is to objectively assess candidates' talents consistently.
- iv. **Background Data:** Employers obtain references and other background data from applicants to confirm the veracity of their statements and learn more about their prior work experiences.
- v. **Comprehensive Selection Interview:** Successful candidates move on to further in-depth selection interviews, which offer a deeper look at their skills, work habits, and cultural fit with the company.

- vi. Physical and/or medical examination: To verify that applicants meet the health and safety requirements required for the job, some occupations may require candidates to submit to physical or medical examinations.
- vii. Job Offer: The chosen candidate receives a formal job offer that includes information on the terms and conditions of employment, including pay, benefits, and other pertinent facts.
- viii. Placement: The last phase entails putting the worker in the assigned role and matching their credentials and talents to the duties of the job. This guarantees the best possible fit between the worker and the position.

According to Habib and Rubby (2022), political or tribal concerns have a substantial impact on the entrance to the Nigerian Civil Service, whereas, in the private sector, hiring decisions are primarily based on merit. Political ties frequently have greater weight in this setting than personal aptitude or talent. This difference arises from the public sector's primary goal of increasing employment possibilities, which differs from the private sector's profit-driven motivation. The widespread implementation of the quota system in the appointment process for Federal Institutions of Higher Learning highlights the Federal character's commitment to proportional representation. As opposed to the strict merit-based standards frequently maintained in the private sector, the quota system has the disadvantage of potentially undervaluing individual qualities and potentials, creating an atmosphere where mediocrity and incompetence may be encouraged.

#### **9.1.10 Wages and Salary Administration:**

In the public sector, wages and salary administration refer to how people are paid for their activities over predetermined periods. Wages are usually paid for shorter periods, like daily or weekly, whilst salaries are frequently paid monthly. The Salaries and Wages Commission has a significant impact on the public sector's pay structure, and unions like ASSU and NASU also participate in collective bargaining on behalf of their members. The state of the economy, worker productivity, labour supply, and societal values are some of the factors that influence general pay levels and policies in the public sector. The level of economic success in the country, which is derived from taxes, customs duties, and oil money, dictates the government's ability to pay its employees. Another noteworthy aspect of the public sector's wage and salary administration is pay homogeneity.



### **9.1.11 Training and Manpower Development**

In the workplace, training and development are essential because they promote employee initiative and creativity and help avoid the obsolescence of workers due to age, temperament, lack of motivation, or difficulties adjusting to technology advancements. Training is a targeted, brief process that increases employees' abilities, knowledge, and skills. It is especially beneficial for technical staff and lower-level workers. However, development programmes impart general, long-term conceptual skills and are intended for higher-level people. The recognition of the value of training in the Nigerian public sector is a relatively new trend. Most public personnel programmes lack comprehensive training functions, especially in the Federal Civil Service where there is no central organisation in charge of organising training initiatives. It is difficult to determine the success of training and development initiatives since each department individually determines the need for training, chooses individuals, and sets up programmes without conducting a systematic review.

### **9.1.12 Discipline, Promotion and Transfer**

Discipline applied to employees who commit errors is considered discipline. It may take the shape of inquiries, cautions, or, in extreme circumstances, outright terminations. Indeed, public personnel managers are severely limited in their ability to fire or reprimand even the most egregiously incompetent worker. The majority of public sector workers exhibit a great deal of laxity and indiscipline as a result of the belief that jobs in government are "second jobs." Therefore, disobedience, tardiness, breaking of rules, and other forms of undisciplined behaviour are common in the civil service.

Conversely, promotion functions as a tool for incentive within the organisation as a kind of level upgrading. It motivates workers to do their jobs well. Only recently has it become clear that seniority, quota systems, federal character, ethnicity, and political ancestry are more important factors in public sector promotions than performance. The same is true with transfers, which deal with moving employees from one location to another. Both intra and inter-transfer are possible. Whereas intra-transfer occurs within the same office, inter-transfer refers to travel between two sites within the service.

### **9.1.13 Staff Performance Appraisal**

This is a systematic evaluation of the employee's work performance and potential with the organisation. Factors that normally come under evaluation include:

1. Job Knowledge
2. Amount of work performed
3. Quality of work performed
4. Time of Completion
5. General Company information
6. Appearance

Performance appraisal refers to the methodical process of assessing an employee's pertinent strengths and weaknesses. The main goals are to assess the worker's performance and create a development plan. Their periodic arrangement follows a predetermined design. Evaluations are an ongoing procedure.

#### **9.1.14 Human Resources/Manpower Planning**

This includes all the actions that will result in the business hiring the proper amount and calibre of employees to carry out specific tasks (Falola et al., 2022). Nigeria's public sector overstaffs because it rarely engages in thorough human resource planning. Because there are a lot of redundant workers in this place, "ghost workers" can exist. For the government, this typically translates into exorbitant labour costs.

#### **9.1.15 Employee Motivation**

An employee's particular desires may include compensation, job stability, recognition, career growth, etc. The driving force behind someone's actions is their motivation. The work motive is the source of motivation. Motivation is an internal state that drives, propels, and channels behaviour towards objectives. Motivation is the result of an unmet need that leads to tension or disequilibrium, which drives a person to move in a goal-directed pattern in the direction of achieving equilibrium by meeting the need. "Motivation refers to the degree of preparedness of an organisation to pursue defined purpose and entails the determination of the type and focus of the forces including the degree of preparation," according to the Encyclopaedia of Management.

#### **There are two ways that people can be motivated:**

- i. Positive motivation: When people see a reward, whether material or intangible, they become more driven.

- ii. Negative Motivation: One can accomplish desired work by making people fearful. This approach uses a motivator of fear of the repercussions of acting or not acting to keep the employee moving in the right direction. There are various drawbacks to this motivational strategy. Fear reduces productivity and efficiency because it breeds resentment, hostility, and a negative attitude towards work.

#### **9.1.16 Industrial and Labour Relations**

The necessity of Industrial Relations stems from the fact that the nature of the relationships between employers, employees, and management greatly impacts the achievement of organisational goals. Employees, unions, employers' associations, and government representatives use the industrial relations system, regulations, and processes to determine the following:

- i. How to distribute financial gains.
- ii. How to safeguard personnel's interests.
- iii. Employment Terms and Conditions.

The robust central labour organisation that exists to combat the low wages of public servants is the reason behind the volatile practice of industrial relations in the public sector. The Nigerian Labour Congress is the main primary labour organisation (Gardner, 2019).

#### **9.1.17 Communication**

The definition of communication is the exchange of thoughts, emotions, and attitudes that elicits a reaction through both spoken and nonverbal means. Underlying all life systems is a dynamic idea. Government employees at all levels of government rely on government gazettes, radio, television, newspapers, and magazines as their primary source of information because the bulk of Federal civil servants are dispersed across the nation. This is typically sluggish and occasionally allows for speculation and mistrust. In the public sector, communication channels are longer and marked by bureaucracy and red tape.

### **9.2 Understanding the Structure of the Public Sector**

A public corporation is a financially semi-autonomous organisation established by a parliamentary act to offer goods and services for sale. It is ultimately answerable to the minister

via the legislature and the public at large. Public enterprises are thought of being artificial persons with legal authorization to perform specific tasks (Gardner, 2019).

It combines the characteristics of multiple people acting as one. It is defined as a corporate entity established by the legislature that has a clearly defined mission and set of responsibilities as well as autonomous authority over a given region or a specific kind of business activity. Here are the three consequences of becoming a member of the government structure. Because of its complex relationship with the government, public enterprise serves as a tool for public policy, with its main goal being in line with governmental goals and initiatives. Thus, it is understandably subject to governmental authority (Habib & Rubby, 2022). Furthermore, it is imperative to consider procedures that enforce accountability, as public enterprises are primarily responsible for managing public resources, particularly public money. Third, creating a suitable performance measuring tool is always challenging due to the convergence of social and political goals with financial and economic ones.

### **9.2.1 Reasons for the Establishment of Public Corporation**

The creation of public enterprises has numerous justifications.

Among these are the following:

- i. The wish to employ public enterprise as a means of successfully implementing a plan in an environment where it seems like a pointless idea—a private sector development strategy.
- ii. The necessity of achieving financial autonomy.
- iii. A pressing need to guarantee state supervision over key economic sectors, such as the Central Bank.
- iv. Require more autonomy in their management and keep some functions apart from the civil service.
- v. The idea is that, in an environment where the private sector offers extraordinarily profitable job opportunities, it is necessary to give citizens work.
- vi. To increase the amount of national cash available for funding development initiatives and programmes, the state must maintain control over important profitable businesses.
- vii. The desire of some socialist-oriented regimes to promote equitable wealth distribution by using state control over important profitable businesses to achieve the goals of

preventing the concentration of wealth or the means of production and exchange in the hands of a small number of people or a group.

## **9.2.2 Classification of Public Corporation**

Public Corporations are classified into three:

1. Public/Statutory
2. State-owned, and
3. Public/Private Partnership

### **1. Public/Statutory Corporations**

These are businesses that are created when the government takes on the administration of a social or economic endeavour through a unique entity that retains some of the unique rights connected with a governmental organisation while still having its legal personality (Habib & Rubby, 2022). Combining these elements should allow the organisation to continue serving as a tool of government policy while allowing it to operate efficiently as an independent entity. The Nigeria Television Authority (NTA) and the Central Bank of Nigeria (CBN) are examples of businesses that are statutory corporations.

### **2. State-Owned Companies**

Despite being wholly owned by the government; these businesses were established by it by standard company legislation. The government has them listed as the sole proprietor on the company record. As a result, the government selects the board of directors, as is typical in private businesses like Odua Investment Company Limited and the New Nigeria Development Company.

### **3. Public/Private Partnership**

Public corporations are businesses in which the government, in collaboration with private entrepreneurs, has the majority stake. As a result of this large shareholder status, the government has a dominant position on the board. Peugeot Automobile Nigeria is a clear example of this kind of cooperation. Public corporations, created by legislative Acts or Decrees, are legal persons with the authority to enter into contracts, acquire, own, and dispose of property in their names, and bring legal action. These organisations, in contrast to regular

government departments, are free to use and recycle their income and frequently have exemptions from numerous laws that restrict or forbid the use of public monies. Public firms are typically not directly regulated by legislation and enjoy some degree of autonomy in their operations (Idonor & Ovuakporie. 2021).

### **9.2.3 Control of Public Corporation**

The optimal operation of public enterprises is contingent upon the implementation of effective management and control procedures. It is necessary to establish management boards and policy boards to oversee and administer public enterprises. The efficacy and efficiency of public enterprises are crucially dependent on these governance frameworks.

- i. **The Executive Board:** Many of the members of the Executive Board are employees of the company. Typically, these are the leaders of the organisation's numerous departments.
- ii. **The Policy Board:** Few members of the policy board come from within the organisation, with most members coming from outside. All policy decisions made by the organisation are overseen by the policy board; nevertheless, the managing director oversees carrying out day-to-day operations and policy execution. In Nigeria, most public companies use this approach.
- iii. **Authority over Public Companies:** Public corporations are nevertheless subject to different levels of control, even if their establishment was intended to give them some autonomy over how they conducted their business.
- iv. **Ministerial Control:** The minister in charge of overseeing the public corporations under his purview exercises control over them in two ways:
  - a. by the selection of board members; and
  - b. by dissolving the board if the minister is dissatisfied with the members' performance. These controls could involve departmental reorganisations, hiring outside auditors to review public companies' financial statements, and borrowing restrictions.
- v. **Parliamentary Control:** To guarantee that public enterprises are operating in compliance with public policy, this control is required. The Annual Report is one way to exercise such control. Through the minister, public enterprises are required to provide thorough annual reports detailing their operations to the parliament, which are then presented to the assembly.

### **9.3 Conclusion**

In conclusion, legislation, usually stemming from military dictatorship, establishes public corporations in Nigeria through acts of Congress or decrees. As previously explained, there are several motivations behind the creation of these organisations. Purchasing, developing, maintaining, and using human capital in the workplace are operational activities that require careful planning, organising, and control. Personnel management is essential to these processes. Regulations and legal frameworks that reflect the larger sociopolitical context in which public businesses operate impact their development and operation.

## 9.4 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. In the context of personnel management, which of the following is not considered a primary function?
  - a. Procurement
  - b. Rewarding the family of the staff
  - c. Development
  - d. Compensation
2. What is not among the stated objectives of personnel management?
  - a. Effective utilization of human resources
  - b. Recognizing and satisfying individual needs
  - c. Recruiting qualified staff
  - d. Attending management meetings
3. Which management function is attributed to personnel management?
  - a. Planning
  - b. Disciplining employees
  - c. Rewarding employees
  - d. Training employees
4. From the options provided, which is not recognised as one of the various organs responsible for personnel management functions in the public sector?
  - a. Public Service Commission
  - b. Secretary to the State Government
  - c. Head of Civil Service
  - d. Ministry of Establishment
5. Regarding employment in the public sector, which step is not typically part of the process?
  - a. Completed job application
  - b. Initial screening interview
  - c. Testing
  - d. Government budget

### MCQ – Solutions

1. B    2. D    3. D    4. D    5. D



## **Theory Questions**

1. Give a thorough explanation of personnel management.
2. List and describe the day-to-day responsibilities of a public sector personnel manager.
3. In your capacity as an HR manager in the public sector, describe methods for inspiring employees to increase output.
4. Explain what "manpower planning" means about the public sector.
5. Discuss the most effective method of recruitment applicable to the public sector.

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### **Recommendation for Further Reading**

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## **CHAPTER TEN**

### **CULTURAL DIMENSIONS OF HR MANAGEMENT**

#### **Learning Objectives**

At the end of this chapter, students should be able to;

- i. Explain the meaning of the cultural dimension of HR Management.
- ii. Discuss the work practices in American, European and Asian Firms.
- iii. Explain cross-cultural differences.
- iv. Discuss the approaches to cross-cultural management.
- v. Explain the types of cross-cultural management.

#### **10.1 Introduction**

Transnational organisations must give cultural considerations top priority in their HRM practises considering the growing globalisation of enterprise operations brought about by foreign expansions, joint ventures, mergers, and acquisitions, as well as strategic alliances and partnerships, to secure long-term success. A global organisation's effectiveness depends on its capacity to close the gap between management and culture, promoting pleasant interpersonal interactions both inside the organisation and outside of it. Effective human resource management requires embracing a unique philosophy geared towards people-oriented organisational activities, which in turn enhances the efficiency and effectiveness of modern businesses (Bos-Nehles & Veenendaal, 2019). This is because human aspirations vary greatly among different countries and cultures. In-depth discussions on job classification, design, and coordination are covered in this chapter, which also provides insights into work practices in Nigerian, Asian, European, and American firms. The chapter also delves into the nuances of cross-cultural variations.

##### **10.1.1 Work Classification, Design and Coordination**

The concept of globalisation reflects the growing interconnectedness of individuals and institutions worldwide. This exchange is present in every aspect of human activity. Globalisation, then, is a multifaceted phenomenon that encompasses technological, environmental, political, social, and economic aspects of human activity. Culture has played a particularly important role in recent years in understanding the variations in management

practices across national boundaries. The constant in management is getting the organisation's personnel to accomplish goals in a way that benefits both the organisation and its members (Collings, Scullion & Vaiman, 2019). Although it isn't the foundation of all company activity, human resource management is thought to be the cornerstone of all management action. To effectively manage talented people, one must always strike a balance between addressing the strategic needs of the company and the aspirations of its people. People's goals in life can differ greatly throughout nations and cultures, depending on the situation. A unique approach to performing people-oriented organisational tasks, human resource management is believed to fulfil the needs of contemporary businesses more effectively and efficiently (Merkulov, 2021).

## **10.2 The Cultural Dimension of HR Management**

Cultural dimensions provide an all-encompassing framework for evaluating the empirical variations in psychological characteristics, such as behaviours, self-construals, values, and beliefs, between different cultural groups. This feature has led to the emergence of "cultural globalisation," which is characterised by a decline in the significance of pluralism and cultural relativity. Agents like multinational or transnational organisations play a major role in facilitating the processes of globalisation. Culture is the sum of social influences that shape groups of people's values, beliefs, and behaviours (Cardy, 2019). Even while cultural distinctions exist across nations, it is important to acknowledge the significant cultural diversity that exists inside nations. When disputes arise in different parts of the world due to race or religion, it is clear how important culture is in international organisations. Working with people from different ethnic or tribal backgrounds can be difficult in some places of the world, which emphasises how important culture is to multinational organisations. Furthermore, cultural subtleties may be a factor in the differences in ethics between nations (Dowling, Festing & Engle, 2017).

### **10.2.1 Practices in American Firms**

A cultural component known as "Power Distance" indicates the level of inequality that exists between people in a country. In contrast to France, Indonesia, Russia, and China, countries like Germany, the Netherlands, and the United States have smaller power distances, which suggests lower levels of inequality. Status and authority differences between bosses and subordinates become more noticeable when power distance grows.

These differences in the power distance dimension have a big impact on HR (human resource) activities, especially on how people from different cultures respond to authority in management. Higher power distance cultures are more likely to have clear hierarchies and authoritative decision-making, as well as more autocratic management styles. On the other hand, the United States exhibits a comparatively reduced power distance, which encourages the employment of participative management approaches that prioritise employee participation and teamwork in decision-making. In international or varied organisational settings, successful HR management requires an understanding of these cultural variances.

### **10.2.2 Practices in Asian Firms**

According to Hofstede, individualism is a cultural component that represents how much people in a nation choose to operate alone as opposed to as members of organisations. The United States has the greatest individuality score, while Asian nations tend to have lower individualism and a greater emphasis on community orientation. Particularly in interpersonal relationships and behaviour, these cultural variations in the individualistic dimension have important ramifications. Lower individualistic cultures are more likely to value group efforts than competitive individualism. These societies may place a higher importance on group harmony and cohesion, which affects many facets of labour and social dynamics (Dieppe et al., 2021). On the other hand, individual freedom, autonomy, and competitiveness are valued more in more individualistic societies, such as the American culture. For cross-cultural communication and collaboration to be successful in a variety of organisational settings, an understanding of these cultural nuances is essential.

### **10.2.3 Practices in European Firms**

Although companies all around Europe understand how vital human capital is to their success, managing people well is still a constant struggle. Numerous research centres have carried out surveys to look at the organisational structures of HR departments in European organisations to obtain insights into HR management practices in the region. The results offer a thorough comprehension of these divisions and their functions. There are noticeable differences between European nations and regions when it comes to HR regulations, departmental operations, and business project priorities. Like other Western countries, the European Union has aggressively pursued the knowledge economy since the year 2000. By 2010, European leaders hoped to establish Europe as the most competitive and dynamic knowledge economy in the world, as outlined in the Lisbon Strategy. This change has had a big influence on the job market and

presented big issues for businesses and HR departments. One of the most important and urgent issues is finding and keeping qualified knowledge workers. Utilising staff to the fullest extent possible is crucial for ensuring the growth and worldwide competitiveness of European businesses as they navigate the changing knowledge economy.

#### **a. Masculinity/Femininity**

The degree to which male values outweigh feminine values is known as the cultural dimension of masculinity/femininity. According to Hofstede, feminine values include caring, intimate personal relationships, and quality of life, while male values include assertiveness, performance orientation, success, and competitiveness. Japan's respondents score highest on masculinity, whereas respondents from the Netherlands express ideals more in line with femininity. Disparities in this area could be related to the responsibilities women are traditionally allotted in a particular society. It is possible to determine how this dimension may affect the placement of female expatriates in executive positions across different nations by looking at the different roles and societal expectations for women in the US, Saudi Arabia, Japan, and Mexico.

#### **b. Uncertainty Avoidance**

People in a country tend to prefer structured settings over unstructured ones, which is known as the cultural dimension of uncertainty avoidance. The development of rules and precise guidance for expected behaviour is what defines a structured scenario. Countries with high scores on this metric, like France, Russia, and Japan, typically show more rigidity and resistance to change. On the other hand, people tend to exhibit more business energy and adaptability in places like Indonesia, the US, and Hong Kong. Anticipating how people in other nations would respond to organisational changes is an astute use of the variations on this aspect. Compared to more rigid nations, more flexible cultures tend to value situations with less certainty as more interesting and challenging, which encourages more risk-taking and entrepreneurship.

#### **c. Long-Term Orientation**

When people emphasise values that are oriented towards the future, as opposed to short-term values that are oriented towards the past and now, they are exhibiting the long-term orientation dimension. While adhering to social commitments and upholding tradition are short-term virtues, thrift and perseverance are long-term qualities. In terms of long-term orientation, China

and Hong Kong ranked highest, whereas Russia, the US, and France tended to show greater short-term orientation. This observation holds for Nigerian workers as well. International HR managers and professionals must recognise that cultural dimensions differ between and even within nations, even though many other components of culture may be investigated (Gourlay, 2020).). Following hiring, companies in Nigeria's governmental and commercial sectors frequently provide new hires with a brief orientation. While most new hires are thrilled about their "new beginning," they could also be nervous about what lies ahead. Thus, orientation seeks to improve new hires' interpersonal acceptance and leave a positive impression (Torrington et al., 2005). Most employers in Nigeria usually use on-the-job training instead of long-term orientation. HR managers, other staff members, or both frequently lead on-the-job training. Effective teaching and task demonstration are essential for a manager or supervisor tasked with employee training.

#### **10.2.4 Practices in Nigerian Firms**

There is a common misconception that job apathy, which Uche (2021) defines as a lack of distinct identity, indifference to possible loss, or an attitude that persists despite setbacks, is pervasive in Nigerian businesses. In this sense, a "Nigerian worker" is a person who works directly for the government, including parastatals, as well as for private and multinational corporations. Furthermore, more than 7% of Nigerians work in a variety of private enterprises. In response to your second query, research indicates that there is little difference between Nigerian labourers and their global counterparts. They differ greatly in their work attitudes and productivity, nevertheless, due to variances in their cultural backgrounds and value systems.

A key factor in determining productivity, and work attitude, is the collection of thoughts, feelings, and behaviours that shape an individual's approach to their work. Poor dedication, inadequate task management, a lack of initiative, callousness, dishonesty, lying, and fabrications have all been features of the attitudes of Nigerian labourers. Negative work attitudes among Nigerian employees are a result of several factors, including subpar work environments, low motivation, and the perception of favouritism in promotions. Also, the lack of employer motivation tactics and significant rewards beyond monthly salary contribute to the decline in favourable work attitudes. The promotion system, which is frequently seen as lacking in meritocracy, encourages the exploitation of ethnic feelings for one's benefit, supplanting objectivity with subjectivity in evaluations of employees' performance on the work (Uche, 2021). When it comes to work ethics, codes of conduct govern behaviour on behalf of the



group. While several professions have their codes of conduct, all organisations appreciate similar qualities like loyalty, honesty, dedication, and timeliness. Nonetheless, it is frequently seen that Nigerian organisations do not comply with these norms to the required extent. It is more difficult to foster positive work attitudes among employees when there is a lack of strong ethical commitment.

### **10.3 Intercultural Management**

#### **a. Need to Consider Cross-Cultural Differences:**

The term "cross-cultural differences" describes differences in family makeup and structure that are impacted by ethnic and cultural backgrounds. These variations result from a variety of things, such as a nation's religious affiliations, familial expectations, and cultural legacy (Katz & Kahn, 2020). In comparison to couples of other ethnic backgrounds, Asian couples, for example, are more likely to get married to members of their ethnic background. To promote efficient communication and collaboration in varied work environments, multinational HR managers must take these cultural quirks into account when making choices.

#### **b. Approaches to Cross-Cultural Management:**

A multidisciplinary field, cross-cultural management incorporates ideas from management theories, cultural anthropology, and communication studies. This field deals with the difficulties in teamwork and communication brought on by cross-cultural encounters in the workplace (Daddoust et al., 2021). Cross-cultural management techniques are useful in a variety of corporate and educational contexts. For example, they play a crucial role in helping international employees integrate into subsidiary companies and assist international students in acclimating to university life. Businesses now need to understand and navigate the different values, perceptions, worldviews, and behaviours within organisations and their workforce due to the increasing interactions between employees and customers from different cultural backgrounds (Munsterberg, 2021). According to estimates, cultural differences account for a sizable portion of the failures of foreign alliances and acquisitions.

Some descriptions of cross-cultural management emphasise its function in managing intercultural variety or cultural diversity; others refer to it as corporate anthropology (Bianchini & Parkinson, 2019). Effective handling of cultural diversity promotes happier employees and more productive corporate operations. For an organisation to succeed, managers must be skilled in cross-cultural management (Dowling 2017). Adler highlights that to improve

organisational behaviour worldwide, cross-cultural management entails comprehending and improving the relationships among coworkers, managers, executives, clients, suppliers, and alliance partners from other nations and cultures.

As a result, cross-cultural management makes many tasks in organisations easier. To complete the following duties, organisations require cross-culturally competent experts:

The company's actions include;

- i. entering new markets;
- ii. investing in cross-border real estate or facilities;
- iii. planning international marketing strategies;
- iv. integrating or merging with other businesses internationally; and
- v. carrying out significant international negotiations; and many more.

The development of several competencies and skills required to foster cultural sensitivity among middle management, marketing, advertising, and product development teams, as well as foreign departments of businesses, is one of the components of cross-cultural management training.

**c. Types of Cross-cultural Management:**

- i. Cross-cultural training for expatriates: This refers to educational programmes that foster understanding among individuals in situations in which a shared cultural framework is either non-existent or not acknowledged.
- ii. Cross-Border Business Training: This type of training is defined as businesses conducting business with one another across international borders. The goods, the money, the communication, and the culture all originated on opposing sides of a border.
- iii. Global Executives training: You will acquire up-to-date methods for leading personnel in a challenging, unstable international setting. starting with the fundamentals of attaining the best possible team performance and the significance of overseeing the duties and procedures associated with global leadership.

**10.4 Conclusion**

Organisations are social systems that include technology, the environment, and structures. They all have a basic characteristic—human engagement. When it comes to creating, building, and running organisational structures as well as achieving business goals, people are essential.

Traditional socio-cultural differences cause the field of global human resource management to constantly change. As such, it has become imperative for multinational corporations to evaluate these changing dynamics and develop adaptable plans. This preserves the integrity of the company's corporate culture while guaranteeing the development of a contented and committed worldwide workforce.

## 10.5 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. What has given rise to cultural dimensions?
  - a. values and beliefs
  - b. orientation
  - c. globalisation
  - d. dimension
2. What does power distance mean?
  - a. difference among the people
  - b. equality among the people
  - c. inequality among the people
  - d. greater status and authority differences
3. What may difference in cultural dimensions be tied to?
  - a. man in the culture
  - b. women in the culture
  - c. Men and women in the culture
  - d. women in various segments
4. How would you define cross-cultural differences?
  - a. differences in family background
  - b. differences in intercultural management
  - c. describing the difference in family make-up and structure based on cultural background and ethnicity.
  - d. differences in cultural background
5. In which country are couples more likely to be in a married relationship with someone from their ethnic background than any other ethnicity?
  - a. Europeans
  - b. Asians
  - c. Americans
  - d. South Africans

### MCQ – SOLUTIONS

1. C    2. C    3. C    4. C    5. D

## Theory Questions

1. Describe in detail the prevalent work practises used by American companies, including their organisational subtleties and operational philosophies.
2. Clearly describe the work practises used by European companies, emphasising their unique approaches to management techniques and organisational structure.
3. Give a thorough explanation of the work practises that are ingrained in Asian businesses, highlighting the distinctive operational and cultural features of these workplaces.
4. Outline and describe the different methods used in the field of cross-cultural management. Examine tactics used to reconcile and negotiate cultural differences in work environments.
5. Describe the many forms of cross-cultural management and explain them in detail, along with the various approaches and structures used to deal with cultural differences in work environments.

### 10.6 Case Study - Reverse Offshoring: A New Source of Jobs for College Graduates?

According to a recent survey, 42% of American businesses choose to locate their offshore operations in India. An estimated 3.4 million jobs and \$136 billion in pay are predicted to be offshored—the practice of moving corporate functions to countries where the cost of these activities is much lower than in the United States—to foreign locales like India by 2017. Outsourcing to India is a common practice for tasks like contact centres for customer care, IT programming, and back-office data processing. Some Americans think that the effects of offshore have negatively impacted employment opportunities in the United States.

On the other hand, "reverse offshoring" is a new trend that is starting to catch on. Major Indian corporations like Infosys, Tata Consultancy Services, and Wipro Technologies are actively hiring new American workers, driven by the demand for foreign workers to support worldwide expansion. These businesses are prepared to pay up to \$55,000 annually to candidates who meet the requirements in terms of education, communication and interpersonal skills, and capacity to support their expansion within the United States. Employers such as Tata put their newly recruited American staff through a rigorous six-month training programme in Mysore, India. They work at U.S. Tata branch offices after completing their training. Infosys has a similar strategy, with American recruits training in India to help them integrate into the Indian workforce and learn about the company's culture. The training grounds frequently have tennis

courts, modern gyms, swimming pools, and auditoriums that resemble Epcot Centres. American recruits get their first training in India, where they are exposed to Indian culture in addition to corporate policies and colleague names. Comprehending cultural subtleties, like asking Indian coworkers directly or the custom of cutting in front of people in public spaces is part of this. To improve mutual understanding and promote greater teamwork and efficiency, some Indian businesses offer cross-cultural training programmes to their American and Indian staff.

### **Discussion Questions**

As a professional, how do you feel about offshore practises in particular, regarding the outsourcing of work overseas, as to India? Please provide more details about the possible advantages and difficulties, considering how they can affect local jobs and the handling of cross-cultural situations in global commercial dealings.

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### **Recommendations for Further Reading**

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## **CHAPTER ELEVEN**

### **MODELS OF COMPARATIVE MANAGEMENT**

#### **Learning Objectives**

At the end of this chapter, students should be able to;

- i. Explain Taylor's model of strategic International HRM.
- ii. Explain Taylor's HRM principles.
- iii. Discuss approaches to Comparative HR management.
- iv. Explain the Global Labour Process Theory.
- v. Describe Post-Colonial Discourse Analysis.
- vi. Describe Transnational Feminism.

#### **11.1 Introduction**

Frederick Taylor was a pioneer in the fields of job analysis and human resource management (HRM), having developed many important organisational concepts. Taylor's observations of organisational instability in American companies led him to concentrate on the nuances of certain job functions. In response, he promoted the use of HRM procedures and job analysis to maximise worker performance. According to Taylor, HRM is all about making sure that workers do their jobs well. Improving worker productivity is a two-pronged strategy that considers worker and organisational factors. Taylor's achievements include the creation of HRM concepts at the employee level and the advancement of job analysis techniques at the organisational level. This chapter explores comparative HRM methodological approaches as well as Taylor's paradigm of strategic international HRM.

##### **11.1.1 The Taylor's Model of Strategic International HRM**

Taylor's HRM principles encompass the following critical components:

- i. Staffing
- ii. Training
- iii. Compensation
- iv. Control

With a strategic focus on enhancing employee efficiency within their roles, Taylor advocated for the implementation of these HRM practices.

### **11.1.2 HRM and Employee Performance: HRM Practices:**

Human resource management (HRM) has two main goals: improving the performance of each employee and promoting the attitudes and behaviours that the organisation wants to see. These actions include trust, citizenship, motivation, contentment, and dedication (Adillah, 2022). To create and preserve a good working connection between the company and its employees, HRM is essential. HRM promotes the growth of productive employee relations through a variety of strategies, including career planning, training initiatives, and remuneration plans. HRM focuses on optimising human resources, which are one of the four key production variables in corporate operations, to boost total efficiency (Hassard et al. (2019). HRM strategically focuses on improving the efficiency of human resources, while management strives to maximise the efficiency of all production components. The goal of putting a variety of HRM practises into practice is to improve individual performance while also supporting employee efficiency in line with the larger goals of organisational success.

### **11.1.3 HRM Practices**

Human Resource Management (HRM) practises comprise a range of essential components, such as including HR planning, staffing, training, performance appraisal, compensation, reward systems, career planning, job security and health, industrial relations, and personnel management. Increasing individual performance is the main goal of these procedures, which guarantee that workers carry out their jobs effectively. Thus, it is anticipated that higher individual performance levels will lead to higher levels of total company performance (Maryani, Entang & Tukiran, 2021).

The many business divisions, including supply, marketing, manufacturing, stock, logistics, and finance, are vital to the field of firm management. Within these departments, the success of individual employees directly affects the operation of each business unit. Achieving entire company performance becomes the primary goal in the framework of Strategic Human Resource Management (SHRM), replacing individual performance. Because HRM practises are linked and have an overall impact on business performance, SHRM takes this into account (Mira, Choong & Thim, 2019). The important point of SHRM is the connection between business departments, firm performance, and individual performance. HRM strives to improve

employee performance since it believes that this affects business divisions' performance as well. The overall result is an increase in the performance of the entire company. SHRM adopts a holistic approach, considering the wider aspects of business performance, whereas HRM has a specialised and limited focus on personnel and individual performance. Business divisions manage the intersection between SHRM and HRM since their performance is a major factor in determining the success of the organisation (Baker, 2015).

#### **11.1.4 SHRM: Employee Performance and Business Performance Relationship.**

Although Strategic Human Resource Management (SHRM) is focused on improving overall firm performance, Human Resource Management (HRM) is closely linked to individual performance (Hassard et al. 2019). Enhancing employee performance to ensure that they carry out tasks within the organisation effectively is the main goal of HRM. The study's term for the overall performance of the firm is "firm performance," which increases in tandem with improvements in individual job performance. Under the framework of SHRM, this comprehension serves as the foundation for identifying the connection between employee and company performance (Hassard et al. (2019).

Positions are divided into business departments including supply, production, marketing, and finance within the organisational structure. Every department has distinct work duties, and HRM is essential to the process of assigning people to important roles in these departments. HRM prioritises the effectiveness of every company division with the ultimate objective of raising organisational effectiveness. Individual employees' performance reflects this efficiency (Hassard et al. 2019). HRM practices are essentially focused on boosting employee productivity, and a key metric for productivity is individual performance. There is a favourable effect on the overall success of the company when personnel within the organisation effectively carry out their tasks within the various business areas. According to this view, SHRM is the correlation between employee and company performance.

This study's theoretical underpinnings are based on the notion that the relationship between HRM and SHRM is influenced by three moderating factors:

- i. **Individual Performance:** Individual performance is influenced by the efficacy and efficiency of connected and independent HRM practices.
- ii. **Business Departments:** The effectiveness of everyone also affects the effectiveness of business departments.

- iii. **Firm Performance:** Overall, firm performance is a result of the interaction between the performance of the business department and the individual employees.

HRM practises combined with positive organisational attitudes and behaviours affect individual performance, which in turn affects firm performance.

### 11.1.5 Theory of SHRM

The theory of Strategic Human Resource Management (SHRM) is frequently linked to a system perspective. Specifically, through the creation of an HR architecture and Human Resource Work System (HPWS) inside organisations, SHRM is conceptualised within the framework of an HR system. The HR system, enabled by HR practises, is intended to increase individual performance, which in turn leads to better company performance, according to American experts.

The American SHRM model is characterised by three main dimensions:

- i. **HR System:** It is thought that an organised HR system, which includes HR procedures, has a favourable impact on both individual and company performances.
- ii. **Firm Performance:** SHRM is defined by how it affects the performance of the firm, suggesting that HRM procedures support the success of organisations.
- iii. **Fit:** A key component of SHRM, the idea of "fit" emphasises the importance of both internal and external alignment. Academics recommend that HRM practices should be in harmony with the success of the company both internally and internationally.

The following is a concise summary of the American SHRM model:

HPWS → Individual Efficiency → Company Efficiency

HPWS → Individual Efficiency → Business Efficiency

One important practice for SHRM is the emphasis on the interconnectedness of HRM practises. The foundation of SHRM is the belief that interrelated HRM practices are essential to the development of the HR system and HPWS inside organisations.

This presents an alternate SHRM model that proceeds as follows:

HRM → Individual Performance → Business Department Performance → Firm Performance

HRM → Personal Performance → Business Department Performance → Firm Performance

According to this paradigm, SHRM starts with HRM procedures, moves on to improving employee performance, affects the performance of business divisions, and finally boosts firm performance as a whole (Milkovich, Newman & Gerhart, 2021)

### **11.1.6 Trigonometry of SHRM**

The concept of trigonometry within the framework of Strategic Human Resource Management (SHRM) postulates a triangle correlation encompassing three fundamental variables: person performance (X), business departments (Y), and firm performance (Z). Human resource management (HRM) aims to achieve two main goals in the philosophy of SHRM: recruiting new staff members and improving individual performance.

There is a trigonometric relationship in this SHRM definition above. There are three variables in this definition: individual performance, business departments, and firm performance. Therefore, the trigonometric function of SHRM can be established below:

$$\text{SHRM: } f(x,y,z)$$

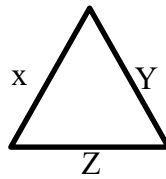
$$X = \text{Individual performance}$$

$$Y = \text{Business departments}$$

$$Z = \text{Firm performance}$$

According to this trigonometric relationship, individual performance (X) is seen to impact the performance of business departments (Y), which in turn influences the overall firm performance (Z). Business processes, which include operations like marketing, manufacturing, supply, stock, and logistics, are identified as the moderator in this relationship. In trigonometry, the triangle relationship presupposes a moderator between the independent variable (person performance) and the dependent variable (company performance). The triangular configuration has individual performance as the independent variable, business performance as the dependent variable, and business processes as the moderator.

Trigonometry anticipates triangular relationships among variables in the SHRM function.



This figure assumes that X (individual performance) has an impact on Z (business performance) through Y (business departments). In addition, according to this triangular relation, X has a direct impact on Z, i.e., individual performance can directly impact firm performance. The trigonometric relationship indicates a triangle interaction between the variables in the SHRM function, whereby business departments and individual performance directly influence corporate performance. The triangle relationship in the graphic suggests that a person's performance directly affects the performance of the business departments as well as the entire organisation.

#### **11.1.7 Four differences between SHRM and HRM:**

- i. HRM practises vary from person to person. However, SHRM has relationships among HRM practices.
- ii. SHRM is focused on corporate performance, whereas HRM is interested in employee performance.
- iii. SHRM is more oriented towards stakeholders' value than HRM is towards shareholder value.
- iv. SHRM tends to emphasise the "fit" relationship between HRM practises and business performance, whereas HRM tends to promote positive organisational attitudes and behaviours.

In addition, there are 4 perspectives in HRM to define SHRM:

1. Universalistic perspective (American)
2. Contextual perspective (Europe)
3. Contingency perspective (Asia)
4. Configurational perspective (American)

Universalist and configurational perspectives are present in the American concept of SHRM. They associate SHRM with human capital and the HR system. HR systems thinking is part of

the configurational approach, and the universalist perspective assumes a direct, moderator-free relationship between SHRM and performance. Therefore, internal fit thinking in human resource management and human capital is necessary for the universalist approach. These two viewpoints contest the idea that HRM influences organisational effectiveness. The HR system, internal fit, and human capital are the American responses. An internal alignment of HRM practices makes up the HR system. European SHRM has a propensity towards the contextual viewpoint. The contextual approach incorporates notions of the environment and institutions since environment, society, and institutions together with their laws are significant in European business. Stakeholders are crucial to European SHRM because of this. In American businesses, shareholders carry greater significance.

## **11.2 Methodological Approaches to Comparative HR Management**

An analysis of institutional and country differences in HRM systems, strategies, and practises is the focus of the discipline of comparative HRM. It was once a part of international human resource management, but in more recent years, it has become an independent field. Compared to the predominant methodology in the majority of mainstream U.S. human resource management studies, Comparative HRM functions inside a unique research paradigm, as stated by Brewster (1999, 2007). In contrast to the universalistic viewpoint of American scholars, who view HRM as a general phenomenon independent of the institutional context, Comparative HRM argues that human resource management practises are best understood as societal phenomena that are heavily influenced by the institutional, cultural, and political context in which they are practised (Noe, 2017).

According to Brewster (2008), contextualising HRM is essential for thorough comprehension and a more critical analysis of the North American HRM conceptualization, which includes matters about individual employee manipulation, employment contracts, and the incorporation of trade union and industrial relations topics into the HRM framework. This paradigm encourages examining HRM from the standpoint of national, EU, or global world systems. Comparative HRM relies on taking into account the various contextual realities of places like European welfare states as well as developing economies in Asia and Africa to provide a more accurate picture of global human resource management (Jackson, 2004).

Comparative HRM departs from traditional human resource research in its methodology (Stahl et al., 2020). It seeks to understand HRM's organisation within specific national settings, emphasizing sensitivity to local contingent circumstances, as opposed to searching for

universal rules and causal mechanisms. Its reliance on empirical evidence for theory development, which combines quantitative and qualitative elements to enhance knowledge of various HRM forms influenced by institutional-national settings, reflects this attention to the particular (Yong, 2020). Comparative HRM aims to create a non-materialist theory of HRM grounded in various institutional and socio-political settings, in opposition to the dominant positivist-deductive technique that drives HRM research in North America.

However, even with its unique contributions, Comparative HRM has not yet taken a clear stand on several theoretical questions related to organisation and management studies. Considering Buller and McEvoy, (2021) classic overview of organisational theoretical paradigms, it is not evident how Comparative HRM fits in with consensus sociology, which is defined by a unitarist understanding of work organisations, or conflict theories, which see organisations as settings for internal conflicts and contradictions. Furthermore, Comparative HRM seems to err on the side of objectivity or interpretation in terms of methodology and epistemology. It occasionally turns to quantitative survey studies of rational forms of HRM, such as the Cranet survey, but it emphasises the use of qualitative data to make sense of organising HRM. Examining the globalisation of HRM as an expression of the spread of neoliberal capitalism across the globe reveals this placement inside a traditional field of organisational research.

### **11.2.1 Globalisation and Neoliberal Capitalism**

One of the main concerns in the field of Comparative Human Resource Management (HRM) is the spread of customised, market-oriented job markets. Cherif (2020) refers to the growth of contingent work, flexible work patterns, and innovative organisational structures as manifestations of the "culture of new capitalism. Cascio (2018) argues that flexible networks and contingent employment are hallmarks of late modern capitalism, replacing bureaucratic organisations and set career paths. This has rendered obsolete the traditional belief that workers would commit their whole professional lives to a single company. Rather, employees are mostly dependent on their initiative, acting as independent contractors negotiating a constantly shifting economic environment. Workers are considered business owners and are in charge of their employability. A severe economic crisis resulted from the neoliberal experiment of deregulated international financial markets in the spring of 2009, in the era of liquid modernity, which is defined by global capital mobility seeking optimal returns while labour stays anchored in local communal contexts (Ali, 2019). Constructing coherent working lives had become difficult even before the financial crisis due to the continuous volatility in organisational and economic



environments. Workers suffer the most from failed policies in the form of layoffs when economic problems spread beyond the banking industry to other sectors. Growing awareness of neoliberal capitalism's underlying dynamics has led to a surge of protest and dissatisfaction against what is thought to be an inherently faulty system of organising the economy and labour.

Organisational control has tightened its grip on employees with more authority at the same time. Managerial control within organisations has not been replaced by the market-oriented employment relations model. As a lean, managerially diluted, and distributed network of individual employees, the emerging organisational model bears a resemblance to a nationally administered network. This is known as the "Market Rationalist" worldview, according to Collins (2021) and it has ties to traditional Fordist and Taylorist management control methods. Employees are viewed as tiny business units that are managed, measured, and analysed much like any other economic entity. With the application of rational managerial approaches originally designed for financial accounting to human beings, work in huge organisations has become extremely competitive, instrumental, and focused on the short term. Global capitalism creates institutional uncertainty, which is one of the biggest problems in modern work life. Though they recognise this shift, HRM academics have not yet adequately explained how market-driven HR policies affect people on a social and human level. Thoughts such as transactional psychological contracts and boundaryless careers address changes in the workplace, however, do not fully illuminate the whole range of human experiences that result from HRM-based employment models. Analogously, research examining the global convergence or divergence of HRM practises frequently overlooks the clarification of the social meanings and lived experiences of workers, professionals, and managers globally in favour of surface patterns and structural manifestations of contingent labour (DeNisi & Murphy, 2017).

### **11.2.2 Critical Management Studies**

In the subject of management and organisation studies, Critical Management Studies (CMS) has become a respected and significant methodology. From its introduction by Hassard et al. (2019) to its establishment of interest groups and specialised conferences like the International Critical Management Studies Conference, CMS has grown significantly in the last 20 years. Its foundation is paradigm analysis. CMS includes a wide range of topics, such as Critical Theory (CT), Labour Process Theory (LPT), and many types of postmodernist or poststructuralist theory.

Within the context of late modern capitalism, Labour Process Theory (LPT) offers a more materialist interpretation of how organisational hierarchies are structured. Its central claim, as stated in Braverman's 1974 deskilling thesis, is that the development of contemporary people management strategies has not succeeded in giving workers in modern organisations a sense of agency and fulfilment. Rather than improving matters, these tactics have made the struggle between capitalist goals and organisational labour's working conditions worse. By assigning workers tedious tasks that are disconnected from their personal goals, modern management practices undermine human creativity and dignity. According to the deskilling thesis, the natural inclination of work to be conceptualised or planned separately from its execution results in a degradation of work under monopoly capitalism. A shrinking percentage of the labour force retains the concept, while the rest are relegated to carrying out duties that have been designed by others. According to the LPT, for a large percentage of organisational employees, this Taylorist division of labour diminishes the meaning of work.

### **11.2.3 Critical Perspectives on Comparative HRM**

Having developed a critical framework within management studies, we now turn our attention to HRM or comparative human resource management. The need to thoroughly examine and assess the spread of innovative work practises and organisational designs associated with the growing impact of neoliberal policies worldwide was previously emphasised.

Three unique theoretical and methodological approaches—global labour process theory, postcolonial discourse analysis, and transnational feminism—come to the fore to enhance and further this critical agenda. Understanding the changing HRM landscape across nations and regions can be greatly aided by the distinct theoretical and methodological presumptions that each of these methods offers.

#### **1. Global Labour Process Theory:**

- a.** The theoretical assumptions of global labour process theory are based on a critical viewpoint and explore the global organisation and control of labour. It highlights the ways that late capitalism has affected the structural arrangements of the workplace.
- b.** Methodological Approach: Uses historical and materialist analysis to look at how larger political and economic forces influence labour processes. examines the relationships between power and technology and how they affect international labour arrangements.

## **2. Postcolonial Discourse Analysis:**

- a. **Theoretical Assumptions:** The goal of postcolonial discourse analysis is to examine the power relationships and cultural connotations that are present in discourses, narratives, and language. It looks closely at the ways that colonial histories still influence modern organisational structures.
- b. **Methodological Approach:** Stresses the function of language in upholding or contesting established power systems, this approach uses qualitative analysis to dissect HRM discourses and narratives. focuses on exposing biases and unspoken presumptions in corporate communication.

## **3. Transnational Feminism:**

- a. **Theoretical Premises:** Transnational feminism examines how social categories such as class, gender, and others connect globally. Recognising the variety of women's experiences, it examines how gender dynamics interact with more general HRM challenges.
- b. **Methodological Approach:** Uses an intersectional and multidisciplinary perspective to study women's experiences in a range of organisational and cultural settings. gives priority to qualitative research techniques to fully understand the subtleties of gender interactions in the workplace around the world.

The critical analysis of comparative HRM might benefit from the nuanced viewpoints provided by these three theoretical and methodological methods. Researchers can gain a deeper knowledge of the complex issues and changes facing the global human resource management environment by combining ideas from transnational feminism, postcolonial discourse analysis, and global labour process theory.

### **11.2.4 Global Labour Process Theory**

The conventional Labour Process Theory (LPT) is expanded upon by Global Labour Process Theory (GLPT), which adapts its core ideas to the modern workplace and the globalised economy. GLPT takes a more global or transnational viewpoint, in contrast to traditional LPT research, which has traditionally focused on nation-states and their administration of work. The main goal of GLPT is to look at the ways that deskilling and related phenomena appear in settings other than the ones that are often covered in American and British labour processes and management studies. GLPT aims to investigate the deskilling hypothesis in a variety of

national and cultural contexts, given the growth of multinational firms into non-Western nations and the general impact of the Anglo-American liberal market economy in building communities worldwide.

The analysis of whether employment management practises and organisational forms are convergent globally is of special importance to GLPT research. The adoption of neo-Fordist and neo-Taylorist Human Resource Management (HRM) practises indicates the strengthening of managerial control. The deskilling theory, first put forth by Braverman and thereafter investigated by several organisational researchers, serves as the foundation for GLPT, in contrast to more inductively focused discussions concerning convergence and divergence. GLPT is more in line with current theorising that recognises the role of agency and subjectivity in forming social relations at work than classical LPT, which is characterised by its structuralistic assumptions (Yong, 2020). GLPT's methodology reflects this departure by combining more general ways like surveys with qualitative methods like field studies and organisational instances. In contrast to alternative and poststructuralist viewpoints, GLPT takes a more realistic approach to epistemology while acknowledging the intricacy of individual experiences and interpretations.

Studies conducted within GLPT contend that although middle managers in the UK and Japan have different structural makeup, there is a notable commonality in the way that employees view current work and HRM-related reforms. According to Hassard and colleagues, these shifts are the product of neoliberal ideology. Under the guise of international competitiveness, these organisational arrangements have led to the deconstruction of internal labour markets, the emergence of performance-related pay, a reduction in job security, and an increase in work hours. The subjective experiences and interpretations of middle managers and employees lead to a picture of global convergence, even while statistical labour data may not always corroborate the perceived changes. The lasting reality of global convergence in employment management is based on the idea that workers in diverse rational-institutional contexts perceive their work environment as highly personalised, competitive, and uncertain. A comparison of middle managers in Japan and the UK by Hassard et al. (2019) demonstrates an impressive use of GLPT. The fundamental premise is that increased workloads and the adoption of neo-Taylorist methods, like stringent performance monitoring and individualistic reward structures, are signs of the labour process becoming more intense due to global capitalism. The GLPT paradigm could be used to investigate how new ideologies affect working conditions and

experiences in less developed economies, even if empirical studies mostly concentrate on affluent industrialised nations.

### **11.2.5 Postcolonial Discourse Analysis**

Postcolonial discourse analysis (PCDA), another name for critical interpretive analysis, has become a separate theoretical field with its roots in Said's pioneering work on orientalism (Said, 1978). Scholars (Bhabha, 1994; Young, 2001) have influenced the philosophy of postcolonial analysis, making it a dynamic study programme integrated with organisation and management studies. According to Said (2021), several institutional and linguistic practices are involved in the production of the Orient, or the non-West. Postcolonial theory sees the non-West and West as mutually reinforcing subject positions, both ideologically imposed and empowering to those who choose them, drawing on the concepts of Foucault (1978). According to Westwood (2006), there is a strong research programme in organisation and management studies because of this hybrid theoretical framework. Postcolonial discourse analysis is concerned with the construction of West-non-West divisions in theory and practice as they relate to international management. The portrayal of the West and non-West in discourses of comparative management, as well as the effects of colonial identities on power structures in West-non-West relations, are the essential questions. The research programme emphasises language and textual articulations of identities and social interactions, taking a constructionist or relativist perspective in epistemology.

Combining this constructionist epistemology with a relational ontology, which holds that relationships between actors and identities are dynamic and always changing, constitutes the social world. Postcolonial discourse analysis is based on discourse analytical methods, which entail a close reading of texts from disciplinary, institutional, and media contexts to expose the hierarchies and tactical privileges ingrained in the meaning constructions of oral and written accounts of cultural differences. Beyond Global Labour Process Theory (GLPT), postcolonial discourse analysis encompasses a broad range of scientific, academic, and institutional literature about business management and international relations in its empirical reach. Academics have examined the implicit presuppositions included in reputable publications on cross-cultural management as well as the stereotypes found in international management textbooks.

In the field of international human resource management, postcolonial research illuminates the ubiquitous colonial mentality that portrays non-Western cultures as primitive and strange while

portraying Western cultures as advanced, contemporary, logical, and normal. Through a deeper grasp of the underlying assumptions that shape what is considered normal and natural in the profession, it offers a critical perspective. Postcolonial analysis also bears an important connection to neo-colonialism, which is seen as a new kind of colonialism connected to modern globalisation. The American dominance in presumptions about the universality of practices emerging from US corporations serves as an example of how pertinent this is in the context of international management research. Critics point to this kind of neo-colonialism for its insensitivity to cultural differences, stereotypes, and, in the worst circumstances, xenophobia. Postcolonial analysis can be used in diverse situations, even though it is typically applied to instances of colonial powers and colonised entities. One example of how language policy can promote post-colonial identities and contribute to the reification of post-colonial and neo-colonial structures of domination is provided by a study on mergers and acquisitions in the Nordic financial services sector. In postcolonial theory, the contentious power relations between the developed West and the developing East and South continue to be the dominant emphasis, despite intriguing dynamics within Europe.

#### **11.2.6 Transnational Feminism**

In the context of comparative HRM, transnational feminism provides critical viewpoints that expand the analysis's focus beyond conventional management issues. Feminist organisation and management studies promote a broad definition of human resource management (HRM) that includes civil rights, health, equal opportunities, work-life balance, family, and sexuality— aspects that feminists believe are important but are sometimes not immediately addressed by management. The feminist argument emphasises societal and corporate responsibility for these concerns in addition to bringing attention to underrepresented issues. Feminism plays a major role in the context of globalisation by relating gendered practises in and around organisations, men's and women's social relations, and the global division of labour. Calas and Smircich (1993) provide an example of this, showing how management writers adopt a narrative that highlights the unique capabilities of women in management to legitimise the gendered status quo, which confines women to domestic responsibilities and places males in central positions worldwide. These findings directly relate to the field of international human resource management (IHRM), since they shed light on the ongoing disparities that exist among senior executives in multinational firms.

Liberal, radical, psychoanalytic, socialist, poststructuralist/postmodern, and transnational/(post)colonial feminism are only a few of the diverse kinds that make up feminism. Transnational feminism could open up new directions for critical analysis in comparative HRM, which is the subject of this discussion. Transnational feminism aligns with postcolonial studies and questions Western feminist notions, particularly those about the construction of women in the Third World. For instance, according to Mohanty (2004), Western discourses frequently depict women from the Third World as oppressed, impoverished, and devoid of fundamental characteristics. This problematic portrayal normalises Western models and ideologies while ignoring a variety of local difficulties and values. The ideologically motivated and biased building of normal or preferred career paths, work and home obligations, equal chances, and related HRM practises is where the danger is. Even well-meaning feminist analyses can underestimate the agency and subjectivity of Third World women by mistakenly depicting them as passive recipients.

Certain variations of transnational feminism contest the relevance of gender as a cross-culturally universal concept. Future HRM assessments should benefit from mapping complicated relationships between gender, ethnicity, religion, nationality, education, profession, and sexuality without presuming that Western ideas offer universal solutions—even when the alternative is not always obvious. By establishing the concept of "One-Third/Two-Thirds" worlds, Mohanty (1997) challenges the traditional view of the Third World and links diverse types of exploitation to the political economy of globalisation in both material and discursive forms.

### **11.3 Conclusion**

In conclusion, the HRM practises of Frederick Taylor, which include Staffing, Training, Compensation, and Control, have greatly contributed to the improvement of employee efficiency. The focus of this chapter is on how critical analysis in comparative HRM can only progress by clearly defining particular techniques. Comparative human resource management is better positioned to further knowledge of larger social and societal challenges in globalising organisations than other techniques or newly developing subfields within HRM.

This chapter has put forth three critical perspectives—global labour process theory, postcolonial analysis, and transnational feminism—to further enhance the comparative HRM methodology. These viewpoints provide opportunities to investigate and understand the complex dynamics of HRM practises globally. However, there is still a great deal to learn and

investigate to deepen our comprehension of these important and fascinating fields. It is also crucial to recognise that the study of these three critical perspectives does not seek to give every critical position on comparative human resource management that is available. The continuous development of ideas in this sector depends on study and inquiry.



## 11.5 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. What theory of management analyses and synthesises workflow to improve labour productivity?
  - a. System Approach
  - b. Scientific Management
  - c. Decision Management Theory
  - d. Management Process
2. According to Bolman and Deal (1997), what frames are offered in the Structural frame?
  - a. Structural, Human, Resource, Political, and Symbolic
  - b. Human Relations, Quantitative, Political, Symbolic
  - c. Structural, Definition, Scientific, and Model
  - d. Resource, Decision, Quantitative & Symbolic
3. Which of the following is not a principle of scientific management?
  - a. Specialization and collaboration between workers and managers
  - b. Bribery and corruption
  - c. Develop a science of work
  - d. Scientific selection and training
4. Which of the following is not a principle of scientific management?
  - a. It led to process improvement
  - b. Increase the efficiency and effective performance of the employees
  - c. It increases productivity
  - d. It poses serious challenges to the management
5. What does Comparative HRM as a field of study focus on, excluding which aspect?
  - a. International comparative HR
  - b. Methodological approach to study comparative HR
  - c. National institutional differences in human resources practices
  - d. Comparative HR relies on distinct research

### MCQ – SOLUTIONS

1. B    2. A    3. B    4. D    5. A

## **THEORY QUESTIONS**

1. Discuss and elaborate upon the fundamental ideas of Scientific Management.
2. Provide examples of how Scientific Management helps HR managers in modern organisations function competently and effectively.
3. Examine the Global Labour Process Theory as a Comparative HR Management research approach.
4. Explain post-colonial Discourse Analysis in the context of Comparative HR Management as a methodological approach.
5. What does transnational feminism mean?

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## CHAPTER TWELVE

### CONSTRAINTS IMPOSED ON HR DISCRETION IN PUBLIC CORPORATIONS

#### Learning Objectives

At the end of this chapter, students should be able to;

- i. Define Human Resource Management.
- ii. Highlight and explain the role of HR in the Public Sector.
- iii. Explain the limitations of HR practice in the Public Sector.

#### 12.1 Introduction

This in-depth analysis of HRM in the public sector highlights the critical role it plays in promoting reforms in the public sector. By contrasting the bureaucratic and managerial models of public sector operation, the analysis clarifies how each model views organisational challenges and employment. The effects of organisational, policy, and institutional changes on employment and working conditions in the public sector are also well-examined. Even with the significant impact that public sector changes have had over the last 20 years on workers and working conditions, the field of Human Resource Management has received very little attention in public sector research and scholarly discourse. The objectives of this chapter are to clarify the function of HR in the public sector, examine the constraints of HR procedures in this setting, and examine case studies related to HR management in the public sector.

##### 12.1.1 Understanding the Role of HR in the Public Sector

Managing the employer-employee relationship is at the heart of human resource management (HRM), which also involves organising an organisation's people to increase productivity (Anderson, 2021). HRM covers a wide range of topics, including hiring, skill development, training, career advancement, performance evaluation, and creating employment conditions. It also covers the acquisition, development, reward, motivation, retention, and termination of employees (Asseburg & Homberg, 2020). Additionally, HRM entails comprehending and evaluating the cultural and legal framework that governs employment relations and conditions (Chen et al., 2021, Breugh, Ritz & Alfes, 2018).

In addition to being essential to an organisation's ability to function, effective HRM is also thought to provide a competitive advantage (Johnson, 2017). HRM broadens its emphasis to include building organisational capacity to adjust to shifting circumstances in a dynamic environment (Nguyen, Teo & Dinh, 2020). Since public sector organisations must hire, develop, train, and implement employment policies, the relevance of HRM principles to these settings is well-established. The public sector had a paradigm change from a "rule-bound" to a "performance-based" culture, which resulted in the widespread managerial reorganisation that saw the adoption of HRM concepts (Stefurak, Morgan & Johnson, 2020). The goal of this change was to use efficient human resource management techniques to increase efficiency. The implementation of New Public Management (NPM) concepts challenged conventional bureaucratic models and enabled responsiveness and flexibility in the management of public sector workers (Arubayi & Akobo, 2018).

The public sector, which was once thought of as the "model employer," experienced substantial reforms that gave workers' rights and benefits. By providing decent working conditions, job stability, and sizeable pensions, the idea of a "model employer" sought to lead by example in the context of equitable treatment (Gross, Thaler & Winter, 2019). The conventional bureaucratic paradigm, which included a centralised employment system and a career service based on tenure security, emphasised rule-governed rational activity (Bao, Li & Zhao, 2018; Cooke, Brant & Woods, 2019; Brown, 2015). Nevertheless, the unitary system began to erode due to financial crises and the need for efficiency, opening the door for NPM principles that prioritised flexibility and efficiency. By introducing private sector management strategies, New Public Management changed the emphasis of the public sector from administration to management. Performance evaluation, corporate planning, user payments, decentralisation, devolution of authority, and risk management were all components of NPM. This change brought public sector HRM into line with NPM's tenets and practises while challenging conventional ideas of lifetime employment and service-wide conditions (Belrhiti, Van-Damme, Belalia & Marchal, 2020; Gbadamosi & Adisa, 2022).

### **12.1.2 HRM in The Public Sector**

The field of human resource management in the public sector has experienced notable changes, including the implementation of adaptable structures and procedures, decentralisation, and the transfer of duties to supervisors and line managers (Anderson, 2021; Battaglio & Gelgec, 2017). This change entails the disintegration of the internal labour market, the introduction of

broader and multiskilled jobs, and a higher emphasis on output measures and performance. To attain the intended results, the emphasis currently is on coordinating human resources with the strategic orientation of the public sector entity. In contrast to conventional methods, the new HRM models in the public sector emphasise the ability of human resources to contribute to performance results (Bednarczuk, 2021). The human resource system now relies on performance management for flexibility and productivity, making job security less of a priority. Critics counter that these modifications have lowered career development prospects and job conditions, which influences the standard of service delivery (Leisink et al., 2021, Johnson, 2020).

In addition to personnel reductions and changes in organisational culture and structure, the implementation of New Public Management (NPM) practices has led to decreases in employee benefits and compensation (Miao et al., 2019; Oseghale et al., 2018). The effects of contracting out and downsizing on service quality have drawn criticism. The nature of connections between the public sector and external organisations, especially in the community sector, has changed because of competitive tendering and contracting out. Community sector organisations are improving their structure organisation and making better use of their skilled human resources because of the rising competition in service delivery organisations (Park, 2020). This lively exchange demonstrates how employment in the public sector is changing and how that change affects HRM procedures. The way that employment in the public sector is evolving highlights how important HRM is to create the "new" public sector. Benefits from the shift from people administration to HRM include multiskilling, reorganised career pathways, and the elimination of strict employment classifications (Jensen & Vestergaard, 2017). The consequences of modern technology, ageing populations, the need for leadership development, and the focus on workforce capability and knowledge management are just a few of the new problems that have surfaced. Because of the public sector's different approach from the private sector, there are certain differences in HRM in the public sector that are driven by its emphasis on public interest outcomes, even while workforce issues are addressed similarly.

## **12.2 The Limitations of HR Practice in the Public Sector**

Some of the limitations of HR practice in the public sector as noted by scholars (Adisa et al., 2017; Otobo, 2016) are listed as follows:



- i. **Centralization:** In a centralised structure, decision-making authority is concentrated in a few leaders at the top of the organisational hierarchy. This approach can lead to drawbacks such as:
  - a. Leadership of the bureaucratic type.
  - b. Remote control, where decision-makers may be detached from the actual work environment.
  - c. Delays in work execution due to the hierarchical decision-making process.
  - d. Lack of loyalty among employees who feel disconnected from the decision-making process.
- ii. **Resource Constraints:** Financial limitations pose a significant challenge in the public sector, where numerous projects may face constraints due to limited resources. These constraints are real and concrete obstacles that must be addressed, impacting the execution of various economic actions.
- iii. **Work Ethics:** Ethical considerations and personal values play a crucial role in the workplace. Failure to uphold high standards of conduct can lead to challenges in organisational functioning. Key aspects of workplace ethics include:
  - a. Conforming to accepted professional standards of conduct.
  - b. Aligning actions with stated values and principles.
  - c. Demonstrating integrity by maintaining consistency between stated and actual values.
- iv. **Ethical Principles:** Workplace ethics involve translating ethical principles into action, encompassing:
  - a. Self-restraint, refraining from actions despite having the power, right, or desire to do so.
  - b. Upholding ethical standards even when not legally required.
  - c. Balancing what one has the power, right, or desire to do with ethical considerations.
- v. **The Six Pillars of Character:** Work ethics are often aligned with the six pillars of character, which include:
  - a. Trustworthiness: Being reliable and honest in actions.
  - b. Respect: Treating others with dignity and understanding.
  - c. Responsibility: Taking ownership of one's actions and duties.
  - d. Fairness: Ensuring impartiality and just treatment.
  - e. Caring: Demonstrating empathy and concern for others.

- f. Citizenship: Fulfilling one's role as a responsible member of the community.

Addressing these limitations is essential for enhancing the effectiveness of HR practices in the public sector and promoting a workplace culture that aligns with ethical standards and principles.

### **12.3 Case Studies of HR Administrators in the Public Sector**

#### **Introduction:**

Diverse remedies are necessary for a range of workplace problems, including altercations, stalking, and the spillover of domestic violence. Organisational elements, such as the specifics of each event, the responders that are accessible, and their qualifications, influence employers' responses in different ways. Based on a wealth of American work experience, the best way to handle these kinds of situations is as a team. Taking charge of matters on your own carries hazards; instances of poor communication resulting in workplace homicides are proof of this.

A collaborative method combines a variety of expertise and disciplines to assess and handle potentially hazardous situations. Representatives from the union, human resources, security, employee assistance programme, management, law, and psychological services may be on this team. Outside consultants may join the team when resources are few, particularly in smaller organisations without internal professionals.

Effective reactions depend on having pre-established plans for both emergency and non-emergency scenarios. Given that every situation is different, flexibility is crucial. Employers can manage workplace violence by developing methods based on fundamental ideas that emphasise timely action, in-depth investigation, serious consideration of threats, and victim support. Important elements include analysing the success of the response, reestablishing the work environment, and taking disciplinary action.

#### **Forming the Team's Approach:**

Whether in athletics or crisis management, teams need to have a strategy for handling everyday circumstances to work well. Group practice and training are essential for success in the real world. To facilitate issue resolution and coordination ahead of time, teams should go over possible scenarios and their solutions before encountering real-world situations.

## **Case Study**

Case studies offer risk and threat elements for analysis, acting as instructional resources for institutions creating programmes to reduce violence. The case studies' fictional characters do not refer to any real people; they are there solely for instructional purposes. These examples serve as springboards for talks on efficient teamwork techniques rather than as prescriptive models. Through group discussions, organisations should discover numerous viable methods.

### **Questions for Discussion:**

1. Evaluate the employer's approach in the case study. Do you agree with it?
2. If not, explain why the approach wouldn't work for your organisation.
3. Propose alternative approaches that would suit your organisation.
4. Assess whether your organisation has sufficient resources to handle such situations.

### **Questions for Program Evaluation:**

1. Does your workplace violence prevention program evaluate the team's approach effectiveness post-incident?
2. Would written policies and procedures limit adapting to a more effective course of action based on evaluation?
3. Are there plans to test response procedures through practice exercises and drills, with a commitment to change as necessary?

## **Case Study 1 - "A Threat"**

**Incident:** A top executive receives a threatening message, crafted from magazine cutouts, indicating a threat to their life. Subsequently, the executive receives a dead cockroach with a message suggesting potential harm.

**Incident Response:** Company leadership, including the President, Director of Security, and Corporate Counsel, swiftly confers to devise a response. They involve law enforcement agencies and implement immediate physical security measures to protect the executive.

**Investigation:** With a large population of over 21,000 individuals, including employees and guests, narrowing down suspects proves challenging. The executive receives unsolicited items over months, prompting the involvement of the U.S. Postal Inspector. Handwriting samples are collected, leading to a year-long investigation. Concerns from other employees receiving

harassing mail pinpoint a likely suspect. A special investigative team questions the individual, who later commits suicide, providing a suicide note explaining their actions.

**Conclusion:** While the tragic outcome may remain uncertain, valuable lessons emerge to guide future incident prevention.

### **Lessons Learned:**

- i. **Downsizing and Workplace Violence:** Incidents of workplace violence may coincide with downsizing or organisational changes.
- ii. **Dedicated Employees:** Workplace violence perpetrators aren't always underachievers; even dedicated and hardworking individuals may exhibit concerning behaviour.
- iii. **Top Executives as Targets:** High-ranking executives may become targets due to their association with the corporate image.
- iv. **Active Pursuit:** Actively pursuing workplace violence cases is crucial for prevention.
- v. **Immediate Action:** Once a suspect is identified, prompt action is essential to assess and address their actions.
- vi. **Consideration for All Victims:** In the aftermath of an incident, consideration for all victims and their families is paramount. Involving clergy or support services is recommended, and careful planning for informing coworkers is essential.

### **Case Study 2 - "Horseplay or Fighting?"**

**Incident:** Employees engage in after-hours horseplay involving alcohol. A physical altercation occurs, resulting in a threat and ongoing teasing. The Human Resources Manager advocates firing under the "Zero Tolerance" policy for verbal threats.

**Incident Response:** The Incident Response Team debates the situation. Opinions range from firing both employees under "Zero Tolerance" to viewing it as a resolved alcohol-fueled temper. The legal advisor suggests firing for any threat, citing potential personal liability. The discussion expands to the supervisor's role in allowing after-hours drinking and horseplay. The union's potential contestation of discipline is considered.

**Resolution:** The senior executive meets with the involved employees separately, realizing the words were likely good-natured. Retraining is initiated on company house rules. The supervisor receives a written reprimand for inadequate supervision. Verbal counselling is given to the

employee making the threat and the one taunting his co-worker. The incident serves as a learning opportunity on workplace rules and potential liabilities.

### **Questions for Discussion:**

- i. Zero Tolerance Policy: Discuss whether "Zero Tolerance" in your organisation mandates firing for all policy violations related to workplace violence or a safe workplace.
- ii. Supervision and Rule Enforcement: Evaluate how well your supervisors enforce work rules to prevent situations conducive to potential violence or other injuries.
- iii. Incident Response Team Diversity: Ensure your Incident Response Team comprises diverse disciplines and perspectives to address all aspects of situations.
- iv. Leadership in Decision-Making: Assess if your team has a single leader capable of making decisions in the absence of consensus, considering conflicting views.

### **Case Study 3 - "Sexual Assault"**

**Incident:** A female employee reports sexual assault by a male coworker. The Incident Response Team is not activated.

**Incident Response:** The Incident Response Team is not activated. The female employee describes the incident involving the male coworker turning off lights and grabbing her breasts. Both employees admit to a close working and personal relationship, including social activities and physical contact.

**Investigation:** The male coworker denies intentional touching, suggesting an accidental brush with his elbow. The close relationship and past interactions are acknowledged. Due to insufficient evidence, the case is transferred to the Equal Employment Opportunity (EEO) and Sexual Harassment personnel in Human Resources for further determination.

**Conclusion:** Insufficient evidence hinders the proof of sexual assault, prompting referral to EEO and Sexual Harassment personnel for additional assessment.

### **Lessons Learned:**

- i. Criminal Investigation vs. EEO: Recognise the importance of treating incidents like sexual assault as criminal matters initially for effective investigation. Criminal charges are more challenging without a trained criminal investigator.

- ii. **Discouraging Personal Relationships:** Acknowledge the challenges and potential complications arising from personal relationships at work, even though a significant number of marriages start in the workplace.

**Discussion Questions:**

- i. **Handling of Criminal Matters:** Discuss the importance of involving trained criminal investigators in incidents like sexual assault. How can organisations balance internal HR processes with the need for criminal investigation?
- ii. **Personal Relationships at Work:** Explore strategies to discourage or manage personal relationships at work. How can companies balance employees' personal lives with maintaining a professional work environment?

**Case Study 4 - “Drug and Alcohol Problem”**

**Incident:** A female employee, sent home for being under the influence, strikes her manager with a board, brandishes a knife, and threatens bodily harm.

**Incident Response:** The Incident Response Team is not activated.

**Investigation:** The intoxicated employee returns to work, confronts her manager, hits him with a board, pulls out a knife, and threatens him. The manager escapes, and the police arrest the employee. During legal proceedings, the employee revealed drug and alcohol addiction and a history of childhood sexual abuse. The company is ordered to reinstate her. A sexual harassment case is filed against the manager.

**Conclusion:** The employee's admission of addiction falls under the protection of the Americans with Disabilities Act (ADA). The manager faces legal consequences, and the employee is reinstated.

**Items for Consideration:**

- i. **Transportation After Sending Home:** Establish procedures for safely transporting employees sent home due to substance use. Avoid potential legal issues by arranging for family, friends, or taxis to take them home.
- ii. **Safety Measures for Violent Situations:** Train supervisors and managers to take precautions in potentially violent situations, such as using conference rooms or keeping objects that could be used as weapons out of reach.

- iii. **Recognition of Cry for Help:** Understand the signs of a cry for help in an employee's behaviour. Behavioural psychologists emphasise the importance of recognizing these signals and responding appropriately.
- iv. **Early Involvement of Threat Assessment Team:** Involve the Threat Assessment Team in the early stages, providing essential advice even after an incident has occurred.

#### **Discussion Questions:**

- i. **Legal Implications of Substance Abuse:** Discuss the legal implications of substance abuse in the workplace, considering ADA protections and potential employer responsibilities.
- ii. **Safety Measures for Managers:** Explore safety measures for managers when dealing with potentially violent situations. How can workplaces ensure the safety of both employees and management in such incidents?
- iii. **Handling Personal Issues:** Discuss the balance between addressing personal issues affecting employee behaviour and maintaining workplace safety. How can organisations navigate these situations while ensuring legal compliance?

#### **12.4 Conclusion**

In conclusion, a few issues, including growing expenses, the need for budgetary discipline, a drop in public trust, and the need for structural reform contributed to the difficulties the public sector faced and the birth of New Public Management (NPM). These difficulties led to the hunt for a fresh approach to managing and organising the public sector.

The effectiveness and suitability of the reform path, especially in applying commercial standards to the provision of public services, raise important concerns regarding the principles guiding the function and goals of the public sector. In navigating these changes, the focus on Human Resource Management (HRM) as a key component of reform becomes important. The main issue is striking a compromise between the potential establishment of a strong human resource model and the values governing the public sector. In addition to reflecting the unique characteristics of public service, this model must be flexible enough to adjust to changing circumstances brought about by novel approaches to management. Therefore, the focus of the continuing conversation should be on developing HRM strategies that not only address the demands of the public sector today but also enhance the general efficacy and efficiency of public service delivery.

## 12.5 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. Which of the following options is the central focus of HRM?
  - a. Operation of HRM in modern business
  - b. Effective utilization of material resources
  - c. Efficient operation to improve productivity
  - d. Managing people within the employer
2. How has public sector HRM been characterised in terms of organisational structures?
  - a. Rigid structures
  - b. Flexible structures
  - c. Dynamic structure
  - d. Matrix structure
3. What is identified as a limitation of HR in the public sector?
  - a. Decentralization
  - b. Centralization
  - c. Democratic style
  - d. Effective cooperation
4. Which of the following is not a definition of ethics?
  - a. Doing what is beyond your power
  - b. Doing what is beyond self-imagination
  - c. Doing what you have the power
  - d. Doing what you have the right to do.

### MCQ – Solutions

1. D    2. A    3. B    4. D

### Theory Questions

1. Define Human Resource Management.
2. List and explain eight roles of HR in the Public Sector.
3. How can HR managers motivate the workforce in the Public Sector?
4. What are the limitations of HR practice in the Public Sector?
5. Explain Centralization as a Constraint that limits HR practice in the public sector.



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## **CHAPTER THIRTEEN**

### **THE PATTERNS OF INTERNATIONAL HR MANAGEMENT**

#### **Learning Objectives**

At the end of this chapter, students should be able to;

- i. Explain the dimensions of International HRM.
- ii. Highlight and discuss seven areas of International HR Dimensions.

#### **13.1 Introduction**

Redefining the human resources department's job is imperative in the current global corporate landscape to equip top-level managers with the skills they need to succeed in a fiercely competitive global marketplace. Given that multinational corporations are the main means of transmitting managerial skills between nations and regions, it is imperative to examine their development from an international perspective when considering human resources management. The phenomenon of globalisation is considered a critical success factor that enables the exchange of knowledge between various management systems (Meyer & Xin, 2018). The main tool for giving businesses a competitive edge is human resources management, with managers' strategic choices demonstrating a strong commitment to their workforce. The fact that the global plan seamlessly incorporates the human resources strategy highlights the strategic importance of human resources management. Within the organisational framework, all processes should have deep connections to human resources operations. Although globalisation plays a major role in multinational corporations' success in a market that is changing quickly, there are obstacles that organisations need to overcome because success is multifaceted.

The field of human resource management is broad, covering every aspect of an organisation. It is necessary to partition it into several aspects to improve comprehension and operational effectiveness. According to Schotter, Meyer and Wood (2021), one generally recognised strategy entails developing four aspects of human resources management techniques. This chapter examines the seven areas of international HR that Andresen and Bergdolt, (2017) identified and examines the aspects of international HRM.

### 13..1.1 Dimensions of International Human Resource Management (IHRM)

Human resource activities, personnel categories, and countries of operation interact to form the aspects of international human resource management.

#### Managing the Human Resource Environment

Human resource activities, personnel categories, and countries of This component include everything having to do with the organisation's mission and vision, regulatory compliance, corporate culture, and more (Fan, Zhu, Huang & Kumar, 2021). Essentially, the responsibility for managing the company's internal environment or climate falls on human resources. We must oversee this setting to encourage the best possible job output from the employees. An organisation's internal dynamics have a profound effect on all its employees, so it is critical to examine each of these components in depth (Tarique & Schuler, 2010).

1. **Impact of Culture on Employee Performance:** Human resource activities, personnel categories, and countries of an organisation's organisational culture have a significant impact on every employee. The way an organisation treats its people and the environment it fosters at work are two major variables that shape the culture of a firm. The makeup of the workforce is another crucial factor in defining the culture of a business. Companies must actively pursue diversity in terms of gender, colour, and religion while fostering inclusivity. A workforce that is varied in terms of background makes for a more complex mosaic of viewpoints and experiences (Gourlay, 2022).
2. **Importance of Compliance in the Workplace:** Human resource activities, personnel categories, and countries of any business, ensuring compliance with both internal and external rules is essential. HR managers are essential in ensuring that all employees receive compliance training. By ensuring that staff members follow rules, this training lowers the possibility of fines and protects the company's reputation. Learning about human resource management becomes crucial for anyone trying to comprehend and uphold compliance, which eventually protects the company (Probst, Raub & Kai, 2018).
3. **Acquisition and Preparation of Human Resources:** Activities related to human resources, classifications of individuals, and nations of Human resources are the cornerstone of any organisation, underscoring the need to select and develop the proper staff. Talent acquisition is a fundamental component of HR that differs from straightforward hiring and has a big influence on an organisation's bottom line and

business outcomes. Knowing the nuances of talent acquisition is one of the most crucial aspects of human resource management education (Salikov, Logunova & Kablashova, 2019)

4. **Assessment and Development of Human Resources:** Assessing a company's current talent pool is one of HR professionals' major responsibilities. Finding people who have room to grow and develop is essential to keeping employees on board for the long haul. This aspect has a significant impact on whether an employee decides to remain with the company and is essential to the complete employee lifecycle (Singh *et al.*, 2022). Today's HR managers must focus on keeping valuable personnel; therefore, evaluation and development are essential components of HR strategy.
5. **Compensation of Human Resources:** People join organisations hoping to be fairly compensated for their services, beyond just employment. One of the main duties of human resources is to manage pay schemes fairly. This feature emphasises HR's larger objective, which is to make sure workers feel fairly compensated for their abilities and labour (Sparrow, Brewster & Chung, 2016). A key component of training in human resource management is comprehending the intricacies of pay administration.

### **13.1.2 Areas of International HR by Torrington and Holden (1992) viz Change, Cosmopolitans, Culture, Communication, Consultants, Competence and Coordination (7 Cs)**

**Change:** Restructuring organisational structures, tactics, procedures, and culture are all part of organisational change. Success requires adjusting to the changing environment, which calls for changes in work procedures and practises (Pushova, Dimitrovska & Stošić, 2023). To adopt better work practises and methodologies and ensure optimal performance both locally and globally, employees must receive training.

**Cosmopolitans:** Cosmopolitanism emphasises empathy beyond national boundaries and values all people, regardless of where they live. By upending the artificial barriers brought about by national borders, globalisation has established the groundwork for a cosmopolitan worldview (Collings & Isichei, 2018). Moral cosmopolitanism emphasises global ethics and human rights while focusing on the equal value of every individual in the moral domain of humanity.

**Culture:** Organisational changes brought about by internationalisation must take into account the national cultures and legal requirements of various nations. National culture has a big

influence on behaviours, attitudes, and values, which affects HRM policies and practices. Successful worldwide company operations require a thorough understanding of and ability to adapt to other cultures (Azizi et al., 2021).

**Communication:** One of the biggest challenges facing HR managers is communicating across cultural and geographic borders. Overcoming obstacles including stereotypes, cognitive dissonance, distance, and cultural differences is necessary for effective international communication. Promoting internal communication within the company fosters integration and a common corporate culture by encouraging teamwork across national boundaries (Mäkelä et al., 2019).

**Consultants:** HR specialists that use a consultancy approach add value and effect change within organisations. HR is undergoing a metamorphosis that requires juggling strategic and change agent duties with administrative responsibilities. Consultants take on a variety of tasks, including problem-solving, influencing, enquiring, and process- and expert-oriented roles (Gourlay, 2022). The capacity of HR professionals to interact with organisational leadership and individual contributors is improved when consulting jobs are in line with HR capabilities.

**Competence:** People are an organisation's greatest source of information, and their skill helps businesses obtain a competitive edge. Training, knowledge, and abilities are examples of human capital traits that have an impact on organisational outcomes. Strategic management of staff members' expertise is essential to creating a sustained competitive advantage (Gourlay, 2022). A company's ability to remain competitive depends on its human capital and HR management.

**Coordination:** The various local actions required for corporate success present coordination issues for international managers. Careful coordination is needed to preserve global harmony while promoting local diversity. To achieve synergy and optimise global corporate operations, several approaches to coordination—such as Japanese, American, and European models—that are impacted by the nationality of the parent company are crucial.

- i. **Japanese Centralisation:** The Japanese method of coordinating entails a powerful headquarters that holds significant decision-making power and regularly meddles in the business operations of abroad subsidiaries. This propensity stems from the difficulty Japanese businesses have when interacting with foreigners. A strategic change that gives non-Japanese people more direct accountability and local promotion chances is



necessary to overcome this obstacle. However, caution and ignorance of the global situation outside of Japan are the main causes of the unwillingness to decentralise (Ashtalkoska et al., 2019).

- ii. **American Formalisation:** Formalisation is a defining feature of the American coordinating approach. Formal processes, regulations, and standards that guide corporate operations are where power is concentrated rather than in corporate headquarters or regional management. As American companies grew globally, this formalised structure gained prominence in tandem with the creation of control systems to oversee the growing scale of operations. Large-scale computerised information systems made delegation and responsibility easier, especially in light of the alleged reluctance of American managers to accept postings abroad (Harzing et al., 2016).
- iii. **European Socialisation:** Businesses in Europe use a coordinating strategy known as socialisation. This approach depends on critical, highly qualified personnel who have been carefully chosen and have a thorough understanding of the goals and strategies of the organisation. Following careful training, these decision-makers are tasked with overseeing subsidiaries, fortifying both the headquarters and the branches. With its foundation in common goals and values, socialisation provides a more reliable and adaptable coordination strategy. Negotiated decisions amongst informed parties with shared goals are considered better than decisions made by higher authorities or by following established procedures (Reiche et al., 2019).

## 13.2 Conclusion

Redefining the human resources department's function in the contemporary global setting is crucial, as is providing it with the necessary tools to help senior managers meet the difficulties of a fiercely competitive worldwide market. Organisational success and globalisation are closely related because they enable the exchange of knowledge across various management systems. HRM becomes the essential tool that gives businesses a competitive advantage. Within this context, managers' strategic choices have to reflect their strong commitment to their employees. A company's deep integration of human resources management into its overall global strategy highlights the strategic importance of HRM and its pivotal role in creating and maintaining competitive advantages.

### 13.3 Illustrative and Practice Questions

#### Multiple Choice Questions (MCQ)

1. What are the dimensions of international Human Resources Management, excluding which of the following?
  - a. Managing the Human Resource Environment
  - b. Impact of international trade across the border
  - c. Impact of culture on employee performance
  - d. Importance of compliance in the workplace
2. In a global context, which aspect is deemed necessary to redefine its role?
  - a. Workforce
  - b. Middle-level management
  - c. Top-level management
  - d. Human Resource department
3. Torrington and Holden (1992) identify several areas of international HR. Which one is NOT among them?
  - a. Culture
  - b. Communication
  - c. Planning
  - d. Competence
4. How is culture defined in the context of the discussion?
  - a. Administration
  - b. A way of life for people
  - c. Coordination
  - d. Decision-making in the organisation
5. The seven areas of international HR, including change, cosmopolitan, culture, communication, consultants, competence, and coordination, can be attributed to which authors?
  - a. F.W. Taylor
  - b. Torrington and Holden
  - c. Holden and Max Weber
  - d. F.W. Taylor and Bernard

### **MCQ – Solutions**

1. D    2. A    3. D    4. B    5. B

### **Theory Questions**

1. Examine the Dimensions of International Human Resource Management (IHRM).
2. Enumerate and Deliberate Upon the 7Cs Dimensions in International Human Management (IHM).
3. Explore the Challenges Hindering Effective International Communication.
4. Analyse the Influence of Culture on Employee Performance.
5. Elaborate on the Significance of Employee Compliance in the Workplace.

#### 13.4.0 Case Study: Ranbaxy Laboratories

In the highly competitive global pharmaceutical industry, where Research and Development (R&D) typically drives success, Ranbaxy Laboratories, with a turnover of ₹1,065.70 crores, has charted a distinctive path to achieve its success. Led by CEO Parvinder Singh, the company strategically focuses on manufacturing and marketing, expanding into seven developing markets, and strengthening its product engineering capabilities. Ranbaxy's foremost priority is maintaining low-cost manufacturing to effectively compete with global players in international markets. The company's success is derived not only from economies of scale and low-cost research but also from a holistic approach to costs. Ranbaxy employs the concept of total activity cost to optimise expenses, ensuring a comprehensive evaluation of costs at each stage while considering potential downstream increases. Benchmarking against international competitors, including Mylan, Ivax, Teva, and Doffar, provides valuable cost data for process design, manufacturing, and product development. Differentiating itself from domestic rivals fixated on basic research, Ranbaxy specialises in designing Novel Drug Delivery Systems (NDDS). This unconventional approach to drug administration, involving methods such as helper compounds or polymer implants, allows for easier differentiation and proves to be a cost-effective and quicker alternative to developing innovative new drugs.

Ranbaxy operates as two distinct entities. Globally, it focuses on generic molecules, maintaining a sharp business focus. Domestically, it takes the conventional route with branded products, strategically avoiding highly competitive market segments. By concentrating on complex molecules that attract fewer competitors, Ranbaxy leverages its skills and aims to deter new entrants, demonstrating a nuanced understanding of the competitive environment. A significant aspect of Ranbaxy's strength lies in its vertical integration across five stages of the value chain, enabling efficient cost and quality management. The company operates in 26 countries, raising scale and redesigning processes to reduce production costs for key bulk drugs by half.

In servicing global customers like Eli Lilly and Genpharm, Ranbaxy prioritises relationship-building over deep distribution or selling skills. The company promises exclusive marketing rights to its products, fostering customer loyalty. Ranbaxy showcases its innovative capabilities by using guerrilla skills, exemplified by synthesizing complex molecules like cefaclor through an alternative route, prompting a joint venture with Eli Lilly to protect intellectual property. Having consciously opted out of mainstream drug development, Ranbaxy strategically

develops competitive advantages in areas often marginally explored by larger companies. Applied in developed markets, the company's focused strategy aims to enhance its prescription for success in the global pharmaceutical landscape.

### **Questions**

1. What strategies did Ranbaxy adopt to compete with global players?
2. What generic competitive strategies did Ranbaxy adopt to emerge as one of Asia's top pharmaceutical companies?
3. "Ranbaxy seems to be committed to its mission of becoming a research-based, international pharmaceutical company". Do you agree with this statement? Substantiate your answer.
4. Does the company use leading-edge technology? How does the company develop or acquire such technology? How strong are its research capabilities?

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## **CHAPTER FOURTEEN**

### **COMPARATIVE ANALYSIS OF HR PRACTICES ADOPTION IN FOREIGN AND LOCAL BUSINESSES**

#### **Learning Objectives**

At the end of this chapter, students should be able to;

- i. Explain global HR practices.
- ii. Discuss the ranking of HR practices across regions.
- iii. Engage in a comparative analysis of approaches to delivering HR value in organisations.
- iv. Discuss the influence of local and national laws on the practice of international HR.
- v. Explain the role of global treaties and multilateral agreements on HR practice.

#### **14.1 Introduction**

Many organisations find it attractive to grow their supply chains, diversify their markets, and acquire specialised skills and competencies abroad. But with this growth also come new difficulties, especially in terms of hiring and retaining a global workforce. Effective global HR support is often the difference between an enterprise's success and failure on the global stage. To maximise productivity and engagement, global human resource management involves helping multinational employees handle linguistic, cultural, and geographic challenges within their workforce. Recruitment of appropriately qualified staff, regulatory compliance, standardisation of systems and processes, and metrics analysis across various markets are among its primary duties. The main topics of this chapter include the ranking of HR practises by region, a comparative study of methods providing HR value in businesses, the impact of local and national laws on international HR practises, and the crucial role that global treaties and multilateral agreements play in determining HR practises.

##### **14.1.1 Introduction to Global HR Practices**

Managing HR on a global scale involves the following key components:

- a. Recruiting employees with the necessary skillsets.
- b. Ensuring compliance with employment laws and customs.



- c. Understanding cultural differences and understanding their HR implications.
- d. Promoting diversity and inclusion.
- e. Fostering employee development.
- f. Integrating diverse HR systems, processes, or data.
- g. Tackling communication and language barriers.
- h. Strategically planning pay and benefits policies.

## **The Role of a Global HR Manager**

In the context of international expansion, the global HR manager plays a crucial role in ensuring that their department possesses the requisite expertise and effectively addresses HR-related matters within the expansion strategy of the organisation.

### **14.2 Ranking of HR Practices Across Regions**

#### **1. A Case Study of Coca-Cola International**

Coca-Cola is a well-known international company that operates in more than 200 countries and gets 80% of its revenue from sources other than the United States. Because of the company's distinctive organisational design, branch offices operate as local entities connected to the central command centre located in Atlanta. "Thinking globally and acting locally" is the essence of Coca-Cola's corporate concept. The corporation creates a common corporate culture among its foreign branches while giving branch managers a great deal of latitude in promoting its goods. Coca-Cola strategically administers its global activities across multiple geographic regions, including North America, the European Union, the Pacific region, Eastern Europe, the Middle East, Africa, and Latin America, through its 25 core business units organised under six regional groupings.

The Human Resources Management (HRM) function plays a crucial role in facilitating and arranging the activities of regional group managers and local branch managers. The Human Resources Department uses two main tactics to carry out this role as noted by Belhhand, (2021).

- i. **Introducing the Human Resources Philosophy:** The department works to promote the company's HR philosophy, offering local branches a framework for improvement in the knowledge and effectiveness of their HR departments.
- ii. **Creating a Moderated Mental System:** This strategy places a strong emphasis on moderation and balance to develop global managers who will be qualified to take on

leadership roles in the future. The method encourages managers to share best practices and experiences.

The Department of Human Resources' main goal is to support local branches' implicit philosophy in building their human resources. Establishing pay scales by the business's overarching salary strategy is one way to do this while maintaining competitiveness in regional markets. The department and director of international human resources hold biennial guidance meetings throughout the 25 regions to promote knowledge sharing and the implementation of the company's HRD policy. The company's approach calls for assigning international managers to every region, with a focus on minimising their headcount to guarantee localization. Coca-Cola thinks that managers in the host nation have a superior awareness of the local climate, customs, advertising strategies, and rivalry. The organisation offers expatriates specialised knowledge and runs large-scale training programmes to give local managers cutting-edge abilities. Coca-Cola has placed American managers with specialised knowledge, fluency in the native language and English, and familiarity with the customs of the local people in areas such as Eastern Europe. This strategy approach addresses the issues that each location presents while ensuring a seamless integration of the company's concept.

### **Coca-Cola Company in Nigeria**

Coca-Cola's history in Nigeria dates back to the 1950s, when the Nigerian Bottling Company Ltd. (NBC) was established in November 1951, as stated in a report from 2021. As an A.G. Leventis Group subsidiary, NBC obtained the licence to bottle and sell Coca-Cola Company goods in Nigeria. In 1953, a bottling plant in Lagos State started producing Coca-Cola in its current form. As a globally acknowledged beverage conglomerate, The Coca-Cola Company operates in over 200 nations and territories. The company, which markets several billion-dollar brands in several beverage categories globally, has a wide portfolio and a corporate goal that revolves around refreshing the world and leaving a positive influence. Two of its original ingredients—coca leaves and kola nuts, which provide caffeine—are where the name "Coca-Cola" comes from. Coca-Cola's exact recipe, which gives it its unique and recognisable flavour, is still a closely guarded trade secret. There have been several reported recipes and experimental recreations over the years, but the present formulation is still unknown. In 1951, Coca-Cola made its official debut on the Nigerian market and quickly became the leading beverage brand there. Nowadays, Coca-Cola is a well-known brand in Nigeria, serving a sizable consumer base. Serving more than 40 million customers in the Federal Capital Territory

(FCT) and all 36 states of Nigeria, Coca-Cola employs over 2,900 direct workers and runs eight manufacturing facilities. This ongoing heritage demonstrates Coca-Cola's dedication to satisfying Nigerian consumers' varied beverage preferences.

## **2. Guinness Nigeria Plc**

As stated in the 2022 Annual Report, Guinness Nigeria Plc is not only a globally renowned African brand that is highly respected, but it is also a company that is devoted to improving the communities in which it operates by making wise investments and actively contributing to social progress. The first shipment of Guinness Stout to Sierra Leone occurred in 1827, and the beer soon became well-known throughout West Africa. The choice of Ikeja in Lagos, Nigeria, to be the first place outside of the British Isles to produce the renowned dark beer marked a crucial turning point in 1963. With its 1965 listing on the Nigerian Stock Exchange, Guinness Nigeria's journey reached a turning point in its ongoing development. The corporation saw consistent expansion in the Guinness Stout and Harp Lager markets over the next thirty years, which led to the construction of three more significant breweries in Nigeria. Benin built a second brewery in 1974 that started out making Harp Lager beer before growing to incorporate a second stout brewery in 1978. The company continued to grow, building a fourth plant in Ogba, Lagos, in 1982, where it first brewed Harp Premium Lager beer before eventually introducing Guinness Stout.

With the opening of a new brewery in Aba in 2004, Guinness Nigeria increased the scope of its brewing operations. To meet the increasing demand for its goods, the firm has been expanding the capacity of its breweries in Benin and Ogba over time. Malta Guinness, Guinness Extra Smooth, Guinness Foreign Extra Stout, and Harp Lager are just a few of the well-known brands that Guinness Nigeria is proud to offer. Other brands include Armstrong Dark Ale, Satzenbrau Pilsner, Top Malt, Harp Lime, Dubic Extra Lager, Gordon's Spark, Smirnoff Ice, and the recently launched Malta Guinness Low Sugar. Guinness Nigeria's leadership in the socioeconomic development of host communities is indicative of its dedication to enhancing community well-being. To maximise its influence, the firm concentrates on a few important areas, such as health and education projects and the supply of clean, drinkable water through the Diageo Water of Life initiative. Guinness Nigeria hopes to secure the efficacy and durability of its community enrichment initiatives by focusing its efforts on four key areas.

## HR Practice in Guinness Nigeria Plc

Guinness Nigeria Plc has demonstrated a strong commitment to ensuring the health, safety, and well-being of its workers, as detailed in the Annual Report of 2022. The company has also matched its practices with applicable regulations and best-practice guidelines. In this regard, the business has put in place two strong policies.

1. **Guinness Nigeria HIV/AIDS Policy:** Guinness Nigeria actively works to stop the spread of HIV/AIDS because it acknowledges the significant social and economic effects the disease has in Nigeria and Sub-Saharan Africa. An indication of the company's dedication to stopping the spread of HIV/AIDS in communities and workplaces is the HIV/AIDS policy. It also highlights the assistance and support given to workers who have the illness and their dependents.
2. **Guinness Nigeria Policy on Wellness:** The organisation defines wellness as a positive state of being well, happy, and healthy. It places a high priority on employee well-being. This policy aims to establish a work environment free from harassment, bullying, and discrimination, as well as one that supports stress management and a healthy work-life balance. Among the Wellness Policy's important features are:
  - a. delivering assistance for occupational health to improve worker well-being.
  - b. providing line managers with assistance and training on efficient management techniques that promote collaboration, open communication, and trust-building.
  - c. examining policies, procedures, and projects regularly to optimise employee well-being.

Guinness Nigeria Plc has put the following policies into place as part of its commitment to diversity, equality, and human rights:

- i. The company's equality and diversity policy commits it to treating every person equally, respectfully, and with dignity. It offers everyone equal chances while maintaining a secure, encouraging, and friendly atmosphere. Diversity, inclusion, and employment equity and equality are important components.
- ii. Guinness Nigeria Spirited Women Network: Women from throughout the company make up this network, which helps and guides female staff members. Grounded in the experience of a historically male-dominated business, it seeks to empower women through the leadership of female members of the Board of Directors and top management.

- iii. Employment of Physically Challenged People: Guinness Nigeria Plc is an equal opportunity employer that offers physically challenged people employment chances without discrimination based on any basis.

Within the organisation, career advancement, capability development, and required training are the main focuses of learning and development opportunities. The organisation provides professional development courses or programmes that support employees' career advancement and gives priority to possibilities that fit with individual development plans. The corporation has a Code of Business Conduct that addresses a few topics, such as discrimination, bribery, responsible drinking, health and safety, and data privacy. Employees receive regular code training through yearly seminars and induction programmes, which support the culture of "Acting with Personal Integrity." Within the company, the Code acts as a foundation for moral business practices.

### **3. Google**

Given Google's unique ideals and organisational culture, the purpose of this analysis is to investigate the best method for acclimating recently hired staff members to the company. A comparison of current onboarding procedures with industry standards is one aspect of the examination. There will also be an evaluation to find out how well Google's perks promote employee engagement and retention. The purpose of this review is to determine whether these advantages constitute a cost-effective investment with a positive return. We will finally examine how Google's organisational culture affects career management within the corporation.

#### **HR Practices in Google**

With Google's unique work culture, which is best represented by the "20% work" paradigm, employees are allowed to allocate 20% of their working hours to creative thinking. This innovative strategy works as a potent retention tool in addition to thrilling both new and current personnel. Every employee's creativity, which is supported by time allotted specifically for it, is fundamental to the success of Google's goods and services. As evidence of the success of its creative workplace culture, Google reported an astoundingly low employee turnover rate of 5% in 2010 (Wauters, 2010). Through the introduction of a bonus programme that pays both employees and their referrals, the company has further capitalised on best practices in employee referrals.

Nevertheless, as Voster (2007) points out, there are significant difficulties and dangers in Google's HR procedures, even though the company is a top employer:

- i. **Lack of a Formal Recruitment Strategy:** Google's lack of a formal recruitment strategy may affect the company's ability to hire people methodically.
- ii. **Restriction on Permanent Roles:** The organisation's propensity to restrict interviews, placement procedures, and permanent roles could impede the growth of a strong workforce.
- iii. **Founder's Involvement in Final Offers:** The human resource policy may become less effective if one of the co-founders insists on personally reviewing each candidate and making the final offer.
- iv. **Impact of Foreign Business Regulation:** Taxes and regulations about foreign business may have an impact on Google's HR practices, making it necessary to take these factors into account when making investments abroad.
- v. **Strict Recruiting Requirements:** Google's strict recruiting requirements help to preserve quality, but they may also obstruct the company's expansion by reducing the number of qualified applicants.

#### 4. **Human Resource Management at Toyota: A Strategic Perspective**

Toyoda Kiichiro founded Toyota Motor Corporation in 1933, and it has since grown to become a major player in the worldwide auto industry. Toyota understands that transferring values and viewpoints is a necessary part of developing human resources (Belhhand, 2021). The strategic development of human resources has emerged as a critical objective as the organisation grows internationally. To guarantee a strong and steady supply of qualified human resources for its international activities in the twenty-first century, Toyota is investing in both concrete (new learning facilities) and intangible (course content) structures.

##### **HR Activities at Toyota:**

**On-the-Job Training:** Toyota has an On-the-Job Training (OJT)-based educational programme that focuses on human resource development. This programme is essential for promoting manufacturing excellence and guaranteeing knowledge transfer between generations.

**Recruitment Procedure:** Toyota uses a comprehensive hiring procedure that includes many employment checks, internet applications, assessment centres, aptitude tests, and final

interviews. Ensuring that candidates meet Toyota's requirements and values before employment is the aim of the process.

**Performance Appraisal:** Toyota carries out staff evaluations three times a year, with a focus on thorough assessments for bonus payments, wage raises, and promotions. The goal of management and production staff's extensive training is to improve overall worker performance. The organisation promotes a culture of training employees who can operate in global business settings, which culminated in the founding of the Toyota Institute.

**Pay and Benefits:** Toyota has always regarded its workers as its most valuable asset. The goal of compensation and benefit plans is to draw in and keep top people. To provide fair salaries in line with market values, the company's strategy emphasises a "me" versus "we" mentality.

**Employee Motivation:** Toyota utilises a range of tactics to incentivise its employees, including internal promotion schemes, performance-based bonuses, and a lifelong employment guarantee. Bonuses are determined by seniority, team performance, and individual merit, and the pay scale is correlated with business profitability.

**Toyota's Compensation Structure:** The suggested compensation structure entails a uniform pay scale for all positions, with the base pay determined by the complexity, skill requirements, and nature of the task. Toyota takes the cost of living and governmental regulations into account, and it bases its pay scale on those of similar organisations.

**Training and Development:** Toyota gives these areas a lot of attention. The business has built educational institutions all around the world, including the Toyota Academy in Europe, Thailand, and South Africa, and the Toyota Institute in the United States. These facilities try to give staff members the tools they need to fulfil the responsibilities of their positions.

## 5. HR Practice in McDonald's

Since internal customers are seen as the entry point to external customers, the Human Resources department of McDonald's is vital to the company's success. McDonald's HR initiatives cover a wide range of crucial tasks meant to guarantee a high degree of worker engagement and productivity.

**Objectives of the HR Department:** At McDonald's, the Human Resources department's main goal is to satisfy internal consumers, understanding that these workers act as a representative

for exterior customers. McDonald's wants to improve the entire customer experience by giving internal customers' requirements top priority.

### **Key HR Tasks at McDonald's**

**Recruitment and Selection:** To attract people who share the company's values and can further its success, McDonald's places a strong emphasis on efficient recruitment and selection procedures.

**Training and Development:** To guarantee that staff members have the abilities and information required to satisfy clients, a comprehensive training and development programme is put in place. The emphasis is on lifelong learning to adjust to evolving client demands.

**Performance Appraisal:** Assessing employee performance is a top priority for McDonald's. Performance reviews evaluate staff members' abilities to satisfy customers and improve the general customer experience. This assessment plays a key role in promoting timely adjustments and enhancements.

**Employee Benefits and Incentives:** To maintain the health and motivation of the staff, McDonald's HR department oversees employee benefits, which include medical coverage and incentives.

**Customer-Centric HR Strategy:** The core of McDonald's HR strategy is the assessment of staff members' performance with an eye on client happiness. The company's customer-centric approach is aligned with the HR practises, which acknowledge that employees have a significant influence in shaping the customer experience.

**Constant Improvement and Adaptation:** McDonald's can quickly identify areas for improvement and make necessary changes because it places a strong emphasis on performance evaluation. Employees will be able to efficiently fulfil changing client expectations thanks to this adaptable strategy.

#### **14.2.1 Comparative Analysis of Approaches to Delivering HR Value in Organisations**

The primary goal of any company organisation is to offer the market better value, which will ultimately increase profitability. The primary force behind this value generation is the company's human capital, which consists of workers who make a substantial impact on overall business success. The most powerful and strategic resource that managers have access to, aside



from financial, material, and human resources, is human capital, which gives them a long-term competitive advantage.

### **Role of Human Resources (HR) in Adding Value**

- i. **Strategic Positioning:** Maister (2002) highlights the critical role that organisational personnel have in generating and providing value for the marketplace. When properly handled, the HR department guarantees that its employees are of the highest calibre and perform exceptionally effectively, which is crucial to the success of the business. Porter (1985) points out that unique employee qualities including adaptability, creativity, high performance, productivity, and customised customer service have a big impact on a company's ability to compete.
- ii. **People and Performance:** An organisation's ability, drive, and accomplishments have a direct impact on its long-term financial performance and success. The core objectives of a well-run HR department are to foster extraordinary performance from staff members and to acknowledge their contribution to product development and sales, customer service, and decision-making.
- iii. **Talent Acquisition and Retention:** HR offers legal defence against discriminatory and unjust termination cases, going beyond traditional functions. By keeping abreast of employment laws, HR adds significant value to diverse and delicate work settings by educating business management and ensuring that recruiting and promotion strategies comply with the law.
- iv. **Involvement in Strategic Planning:** Today's HR specialists are more proactive and indispensable members of organisational management teams. They actively participate in strategic planning, evaluating the opportunities, threats, organisational shortcomings, and strengths and weaknesses of the demands of human resources.

### **Comparative Perspective**

**Conventional vs. Strategic HR:** Strategic HR links with organisational goals and enhances overall performance, whilst traditional HR concentrates on administrative duties.

**Legal Compliance vs. Talent Development:** While strategic HR actively pursues talent development, acknowledging it as a critical factor in organisational success, traditional HR focuses primarily on ensuring legal compliance.

**Isolated Function vs. Integrated Collaboration:** Traditional HR frequently works as a separate function, but strategic HR closely cooperates with other departments to support overall organisational initiatives.

### **14.3 Influence of Local and National Laws on International Human Resource Practices**

In domains where interpersonal interactions are crucial, the influence of culture on the execution of HR practises is especially noticeable. The most culturally sensitive component is, notably, performance appraisal, where cultural norms influence the standards and procedures subsidiaries employ when hiring new employees. But it is also important to acknowledge the simultaneous impact of institutional influences, in which the parents of MNCs exercise control through internal policies. Compensation, benefits, and pensions are likewise subject to cultural dynamics, although institutional effects are frequently more pronounced because governments and businesses regulate minimum salaries and pensions.

Although culture influences when and how employee training and development takes place, its influence seems to be less than that of performance reviews, pay, and perks. Because of the intricate interactions between various factors, it is difficult to comprehend the true cultural influences on teamwork and Quality Circle. Without a doubt, the host nation's culture has the biggest impact on global HRM. The common beliefs and values of a society, known as its culture, have a big influence on HR procedures. Managing cross-cultural adaption, varying management turnover, and disparities in organisational and workforce values are common obstacles to efficient HR management across borders. These difficulties highlight how crucial it is for effective foreign HR practices to strike a balance between institutional laws and cultural concerns.

#### **14.3.1 Internal Influences on HRM Objectives include:**

- i. Corporate objectives e.g. an objective of cost minimisation result in the need for redundancies
- ii. Delaying or other restructuring
- iii. Operation strategies
- iv. Marketing strategies
- v. Financial strategies
- vi. Marketing changes
- vii. Economic changes

- viii. Technological changes
- ix. Social changes

#### **14.4 International Labour Organisation Convention and Recommendations on HR Practice**

Following World War I, the International Labour Organisation (ILO), which had its beginnings in 1919 as a component of the League of Nations, gained prominence in the field of social reform. The ILO's objectives were broadened by the 1944 Declaration of Philadelphia. It later won the Nobel Peace Prize in 1969 and was established as the first specialised agency affiliated with the UN in 1946. Any country that does not implement humane labour standards puts others who want to better their working conditions at a disadvantage. The tenet of the ILO's constitution is that social justice is the foundation for a world at peace. It has made major contributions to industrial society throughout the years, bringing about legislation protecting child labour, maternity leave, the eight-hour workday, and regulations that support good labour relations and workplace safety.

##### **Key Objectives of the ILO**

- i. Promote and realise standards, fundamental principles, and rights at work.
- ii. Create opportunities for both genders to secure decent employment.
- iii. Enhance the coverage and effectiveness of social protection for all.
- iv. Strengthen tripartism and social dialogue.

##### **ILO Conventions and Recommendations**

- i. The ILO, through the International Labour Conference, adopts Conventions and Recommendations, establishing international standards.
- ii. Conventions create binding obligations for member states, while Recommendations guide policy, legislation, and practice.
- iii. Covering a wide array of issues, these standards include basic human rights, labour administration, industrial relations, working conditions, social security, and more.

##### **Key ILO Conventions**

- i. Forced Labour Convention (1930) - Suppresses forced or compulsory labour in all forms.

- ii. Freedom of Association and Protection of the Right to Organise Convention (1948) - Establishes the right to form and join organisations without prior authorization.
- iii. Right, to Organise and Collective Bargaining Convention (1949) - Provides protection against anti-union discrimination and promotes collective bargaining.
- iv. Equal Remuneration Convention (1951) - Advocates for equal pay for work of equal value.
- v. Abolition of Forced Labour Convention (1957) - Prohibits the use of forced or compulsory labour.
- vi. Discrimination (Employment and Occupation) Convention (1958) - Calls for a national policy to eliminate discrimination in employment.
- vii. Minimum Age Convention (1973) - Aims at the abolition of child labour, specifying the minimum age for employment.
- viii. Worst Forms of Child Labour Convention (1999) - Calls for measures to eliminate the worst forms of child labour.

## **14.5 Conclusion**

Many businesses find it alluring to diversify their markets, streamline their supply chains, and acquire access to specialised skills overseas. But the quest for growth also brings with it a new set of difficulties, chief among them the creation and maintenance of a global workforce. The effectiveness of global HR support has a direct impact on an organisation's ability to succeed or fail on the global stage. The challenges of expanding internationally call for a sophisticated approach to human resources management due to its intricacies. The complexities of developing and sustaining a global workforce extend beyond national boundaries, necessitating a deliberate and culturally aware HR approach. HR strategies' ability to successfully negotiate the complexities of different markets has a significant impact on the success of expansion initiatives. The collective knowledge gained from the experiences of previous businesses is a useful place to start, even while there is no magic bullet for the difficulties that come with growing. Entering international markets is a difficult road, but benefiting from the collective wisdom of forerunners can provide priceless direction. Strategic absorption of lessons learnt over time is necessary for success in international endeavours.

The desire to grow internationally necessitates a careful and knowledgeable strategy, with global HR assistance emerging as a critical component. The complexities of global expansion necessitate a proactive alignment of HR strategy and a detailed grasp of varied markets. The

corporate community's collective knowledge provides a wealth of insights and a basis for enterprises to take on the demanding but rewarding journey of international expansion.

## 14.6 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. Which of the following is not considered a role of the Global HR manager?
  - a. Standardising suitably skilled employees
  - b. Settling conflict between nations
  - c. Recruiting suitably skilled employees
  - d. Supporting regulatory compliance
2. Which factor is not mentioned as a contributor to the success of Global HR?
  - a. Ensures leaders have the proper background
  - b. Builds an internal team
  - c. Asserts the strategic role of HR
  - d. Let technology guide integration
3. Which of the following options is not identified as a way HR function can add value to the business?
  - a. Ensures that there is cooperation between staff
  - b. Responsible for the quality of employees as well as for their exceptional performance
  - c. Talent management
  - d. Protection from lawsuits
4. Which factor is not an internal influence on HRM objectives?
  - a. Corporate objectives
  - b. Delaying or other restructuring
  - c. Operational strategies
  - d. Impact of conflict on the organisation
5. Which of the following options is not mentioned as a benefit of international agreements?
  - a. Contribute to Gross Domestic Product (GDP)
  - b. The producing country gains access to new consumers
  - c. The importing country gains access to the required goods
  - d. Reducing tariff barriers.

### MCQ – Solutions

1. B    2. B    3. A    4. D    5. A

## **Theory Questions**

1. What are the primary responsibilities of a Global HR Manager?
2. Google is a greater employer but there are inherent challenges and pitfalls in its human resources practices. List and explain with appropriate examples.
3. Highlight and explain the internal influence on the practice of International HR.
4. Highlight four principal strategic objectives of ILO.
5. Discuss the role of comparative analysis in the evolution of HR practices.

## **14.7 Professional Case Study: Transformation of British Airways Under Margaret Thatcher**

When Margaret Thatcher became prime minister of the United Kingdom in 1979, she set out to privatise many state-owned companies. One of these organisations was British Airways (B.A.), a business dealing with serious issues such as a staff that isn't working efficiently, poor management, and losses that are getting close to \$1 billion a year. Because of the company's reputation, there were jokes that B.A. stood for "Bloody Awful." Margaret Thatcher brought in British industrialist John King to lead British Airways' rejuvenation, improving the airline's reputation, competitiveness, and general efficiency. An optional severance payment was one of King's many calculated strategic moves, which included a significant reduction in the workforce from 59,000 to 36,000 workers. He replaced inexperienced executives with more seasoned ones, reorganised the leadership group, and changed insurance and advertising companies. A thorough makeover followed, including new uniforms, company taglines, and the repainting of every British Airways aircraft. Awaiting the conclusion of the privatisation process, King looked around for a new CEO, and Colin Marshall was the one he finally chose. Marshall then started employee training sessions that had a significant influence and changed the organisation's culture.

The conclusion of these efforts was the privatisation of British Airways in February 1987. Of the employees, 74 per cent opted to participate in ownership. This change in ownership encouraged staff members to be more committed to raising profits and improving service quality. John King and Colin Marshall's foundation proved invaluable and paid off handsomely. Now, British Airways has become one of the biggest and most successful airlines in the world, a far cry from its "Bloody Horrible" past. This change has been successful because a diverse collection of people has worked together to achieve a common goal.

### **Questions:**

- i. Considering the transformative efforts led by King and Marshall, were there any significant strategic mistakes made during this process?
- ii. Assess the potential perils and threats that British Airways might encounter in the international arena moving forward.



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**CHAPTER FIFTEEN**  
**ADDRESSING GLOBAL CHALLENGES THROUGH COMPARATIVE HR**  
**MANAGEMENT**

**Learning Objectives**

At the end this chapter, students should be able to;

- i. highlight and discuss global challenges facing the practice of HR.
- ii. examine and review case studies on best practices in HR.

**15.1 Introduction**

There are several obstacles to overcome when managing human resources effectively across cultural, economic, and legal divides. Nonetheless, effective HR management pays off handsomely. Cross-cultural adaptability, differences in organisational and worker values, inequalities in management styles, and management turnover are common obstacles to effective HR management. Global business requires adaptations that consider these things. It is imperative for managers and professionals operating on a global scale to acknowledge the interconnectedness of these issues. This chapter examines the worldwide issues that HR professionals must deal with daily.

**15.1.1 Global Challenges in Human Resource Practices**

**Political and Legal Frameworks**

Handling the difficulties brought about by various legal and political environments calls for a sophisticated strategy. Before entering new markets, multinational corporations might conduct in-depth risk assessments to learn about the political environment and potential legal obstacles. One way to manage uncertainty is to form solid alliances with regional legal professionals and encourage open lines of communication with government agencies. Furthermore, putting in place strong ethical guidelines and compliance training guarantees that workers follow uniform ethical standards independent of the practises of the host nation (Collings, Wood & Szamosi, 2018).

## **HR Regulations and Laws**

Organisations should proactively engage legal advice with knowledge of the employment laws of the relevant jurisdiction to help them navigate the many HR requirements. It's critical to create adaptable HR rules that uphold worldwide uniformity and comply with regional laws (Begley, 2009). Legislative changes require HR professionals to stay up to date and modify their plans as necessary. When appropriate, collaborating with local labour unions helps to maintain good relations and guarantees adherence to local employment regulations.

## **Economic Prowess**

By spreading their investments across other locations, businesses that are experiencing financial difficulties in their host country can reduce risk. It is possible to identify nations with stable economies by carrying out in-depth economic assessments and market research. By putting risk management techniques like currency hedging into practice, one may guard against the negative consequences of exchange rate changes (Gaol, 2020). By keeping workforce planning flexible, businesses may alter their workforces in response to shifting market conditions and make well-informed decisions.

## **Socio-Cultural Issues**

Taking on socio-cultural issues requires a dedication to diversity and inclusion programmes. HR specialists can boost employees' cultural understanding by implementing cross-cultural training programmes. Creating Employee Resource Groups (ERGs) that honour different cultural origins fosters a feeling of inclusion. Employers ought to place a high priority on inclusive hiring procedures that take cultural quirks into account and encourage a varied pool of leaders. Creating an atmosphere of openness and respect makes it possible for workers with different backgrounds to feel appreciated (Barney & Hesterly, 2018).

## **Technology**

HR professionals must participate in continual training programmes to adopt new technologies into their practices. Businesses may automate repetitive operations and free up HR professionals to work on strategic initiatives by investing in state-of-the-art HR software and technologies. Utilising data analytics facilitates the process of making well-informed decisions on performance management, employee engagement, and talent acquisition. HR professionals can stay ahead of emerging trends and adopt technologies that support their organisational

goals by working with technology specialists and attending industry conferences. Keeping HR systems updated and optimised regularly improves overall productivity (Farndale et al., 2014).

## **15.2 Conclusion**

The global HR landscape presents problems that require adaptability, continual learning, and a proactive strategy to overcome. HR practitioners need to work across departmental boundaries, take advantage of technology improvements, and be aware of the dynamic shifts in the global business environment to develop robust and sustainable HR practices. Apart from the previously mentioned significant worldwide obstacles that HR practises must overcome, elements like worker resistance to company regulations, supervisory meddling, and unstable political environments exacerbate the difficulties that practitioners encounter when putting strategic HR management into practice. Acknowledging and resolving these extra obstacles becomes crucial to promoting targeted and successful HR interventions in the dynamic global corporate environment.

### 15.3 Illustrative and Practice Questions

#### Multiple Choice Questions (MCQ)

1. Which of the following is not considered a global issue in managing HR?
  - a. Cultures
  - b. Economic
  - c. Legal system
  - d. Decision making
2. Among the options, where do HR regulations and laws exhibit variations?
  - a. Countries
  - b. Organisation
  - c. Community
  - d. Employees challenges
3. What is not categorised as a technology challenge in HR?
  - a. Cybersecurity threats
  - b. Data protection and privacy
  - c. Supporting remote work and infrastructure
  - d. Increase productivity
4. Which of the following options is not considered a transportation challenge?
  - a. Traffic congestion
  - b. Parking problems
  - c. Accident and environmental pollution
  - d. Cost of transportation
5. Which of the following options is not classified as an economic challenge?
  - a. Inability to make enough profit
  - b. Scarcity of resources
  - c. Unlimited wants
  - d. Alternative uses

#### MCQ- Solutions

1. D    2. A    3. D    4. D    5. C

## **Theory Questions**

1. Illuminate and analyse the prevailing global challenges confronting the human resources profession.
2. Identify the primary impediments to achieving effective global management within the realm of human resources.
3. Elaborate on the impact of technology on the landscape of global human resources management.
4. Articulate the influence of culture on the practice of human resources on a global scale.

## 15.4 Case Study Analysis

### 1. Best Practices in HR

Satish was recently promoted and moved to the Head Office of an Industrial Products Company. Before this, he was the Sales Manager at the City branch. As Deputy Manager of Management, he was responsible for a section of products he had never worked on before. The VP of the company, Mr. George, called a meeting of product managers, as Satish's new boss, Product Manager Ketan, was unable to attend owing to prior schedule conflicts. To expose Satish to his forthcoming responsibilities, Marketing Director Preet asked him to come to Ketan's place. Preet gave VP George a brief introduction of Satish at the start of the meeting. George's strict and straightforward style was evident throughout the session, which consisted of a series of questions directed to each Product Manager. Most were well-prepared, but Satish, who was unfamiliar with the product, found it difficult and came under fire from George, who called his work "sloppy." Acknowledging George's ignorance of Satish's new position, Preet debated whether to bring up the issue in public or in private. Preet went with the latter, refusing to stop George. George called for Preet to stay for additional discussions and adjourned the meeting despite Satish's obvious discontent, citing a perceived lack of planning in the department.

Preet told George, behind closed doors, that Satish had just moved into the new position and that the criticism was very severe. Recognising his error, George asked Satish to come over right away. George apologised for not realising Satish was a rookie during the interrogation and reassured him of his competence. George expressed the organisation's belief in Satish's potential and underlined that his main duty was to stop bad judgements. To give Satish more confidence, the talk came to an end with a comforting handshake.

#### Questions:

1. Was it appropriate for George to extend an apology to a junior employee such as Satish?
2. In the position of Satish, how would you have responded to George's apology?
3. Did George accurately assert that Satish's role involves rectifying potential "mistakes" made by his boss and George himself?
4. Would you consider hiring George in your organisation?
5. Was it an oversight on Preet's part not to intervene during the meeting and clarify George's misunderstanding about Satish?



6. In an HR context, how would you characterise George's behaviour – initially exhibiting bullying tendencies but expressing remorse later? Is there a need for corrective measures regarding his attitude?
7. Would you be content to have George or Preet as your supervisor in the workplace?

## **2. Onboarding Challenges in HR**

Adam recently graduated and started working as a freshly hired HR professional. He took on the task of managing the company's orientation programme during his first month on the job. He assiduously followed protocols and procedures but had difficulties acclimating new hire Roy. He tried to formally introduce Roy to the staff, but the lack of Roy's assigned mentor made it difficult. Roy indicated interest in participating in the optional buddy system after Adam informed him about it during an HR meeting. Taken aback by Roy's request, Adam asked his boss, Jean, to explain the buddy-assignment criteria. He learned that Roy preferred a friend to come from his department. Adam had been so preoccupied with finding Roy a good friend that he had forgotten about Roy's request, which is why it took so long to respond. A week later, Roy brought up the delayed buddy assignment with Adam during a casual lunch. Embarrassed, Adam accidentally mistook Roy's plea for a joke and refused to acknowledge his error. Roy was furious with Adam's reply and emphasised Adam's accountability while stating his serious intent. Adam quickly acknowledged his error, apologised and accelerated the buddy assignment by matching Roy and Sam on the same day. However, in an official meeting with Roy's mentor, Adam and Sam explained the organisation's policy of letting mentees set up meetings on their own. Roy was still unhappy despite Sam's apologies and explanation, and Adam presumed he knew what the company did. In a manager's feedback meeting the next day, Roy voiced his displeasure with Adam's tardiness in designating a buddy and introducing him to his mentor. He expressed his displeasure with Adam's performance and questioned the HR mentor and buddy system's efficacy. Adam tried to clarify the circumstances, promising to make improvements to the system and offering his apologies for the oversight. He promised Roy's management that following the discussion, he would set up a meeting between Roy and his mentor. Despite these attempts, Roy persisted in being unhappy and would not stop complaining about Adam in front of his management.

**Questions:**

1. From an HR practitioner's perspective, what strategic measures should Adam employ to effectively resolve the encountered challenges?
2. In light of Roy's persistent dissatisfaction with Adam, despite corrective actions being taken, what steps should Adam, in his HR role, undertake to address this issue? Additionally, what actions, if any, should Adam's manager, Jean, consider?
3. What role does Roy's manager play in the resolution of this issue, and should there be any implications for their involvement in addressing the concerns raised by Roy?

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## **CHAPTER SIXTEEN**

### **CHANGE MANAGEMENT**

#### **Learning Objectives**

At the end of this chapter, students should be able to:

- i. Explain Change Management.
- ii. Discuss the principles of Change Management.
- iii. Highlight and explain the capabilities required for a change management professional.
- iv. Highlight and explain the theories of Change Management.

#### **16.1 Introduction**

At every level of the organisation, change managers need to be able to recognise when a change is necessary and know how to make it happen. Even though executives leading change initiatives work hard to bring about improvements, it is commonly known that up to 60% of change programmes don't achieve the desired results (Beer et al., 2019). Financially substantial implications may result from errors made throughout the transition process. Therefore, ensuring the success of change is vital for those in charge of it. Still, it is not an easy task to succeed in transformation endeavours. It is common for change agents, whether managers or consultants, to lose efficacy because they fail to recognise important factors that impact results. As a result, they might not always take actions that give them enough influence over how things turn out. This chapter explores the field of change management, clarifying the ideas, and competencies required of change management practitioners, and guiding principles of change management.

##### **16.1.1 Understanding Change Management**

A systematic and structured approach to creating and putting into practice plans and interventions that help organisations move from their current state to a desired future state is known as change management (Al-Haddad & Kotnour, 2015). Incremental change sometimes referred to as first-order change, and transformative change, usually referred to as second-order change, are the two forms of change that this method typically handles. Usually, first-order change stays away from questioning the current organisational structure and system. It is best described as incremental or transactional change since it is frequently associated with changes

to personal demands, task and skill requirements, and rules and procedures (Cummings, T. G., & Worley, 2014). On the other hand, second-order change comprises a realignment of vision, values, culture, beliefs, attitudes, and core processes together with changes in basic assumptions about reality. We refer to this more profound level of change as transformational change. Change management is essentially a framework that facilitates the efficient handling of the human elements of change, guaranteeing a seamless transition to changing organisational environments (Chowdhury & Shil, 2022).

#### **a. The Significance of Change Management**

Effective organisational management has always relied on change management, which is easily incorporated into the larger Human Resource Management (HRM) framework (Shulga, 2021). It is critical for both guiding an organisation's future direction and maintaining the flexibility of its current operations. Good change management is effective when it can skillfully lead and enable staff members to welcome and move through times of change.

#### **b. The Process of Change Management**

The change management process is an organised series of actions carried out by a project manager or change management team to apply change management concepts to an organisational or project transformation (Hussain et al., 2018). Usually, this procedure consists of the three crucial stages listed below:

**Phase 1: Preparing for Change:** This first stage entails careful planning, in-depth analysis, and the tactical creation of change execution plans.

**Phase 2: Managing Change:** This stage guarantees a smooth integration of change initiatives through meticulous planning and exact implementation of change management techniques.

**Phase 3: Reinforcing Change:** This last stage entails collecting data continuously, making necessary corrections, and recognising the changes to strengthen them and integrate them into the overall structure of the organisation.

#### **c. Managing Change Implementation:**

- a. **Strategic Communication:** To effectively manage change, information must be strategically disseminated at appropriate times. This involves raising awareness of the impending change and the dangers involved in preserving the

status quo. Employees at all levels require specialised communication plans that are created according to their roles in the change implementation process.

- b. **Getting Support from Front-Line Managers:** It is imperative to gain the steadfast support of front-line managers because of their critical role in shaping employees' willingness to embrace change. Gaining this support can frequently be facilitated by coaching interventions, either in groups or one-on-one.
- c. **Training and Development Initiatives:** Including extensive training and development programmes enhances the implementation of change. These programmes seek to strengthen the abilities, attitudes, behaviours, and knowledge necessary for effective change adoption.
- d. **Managing Resistance:** Managerial and employee resistance highlights the necessity of proactive identification, comprehension, and tactical handling across the whole organisational structure.
- e. **Consolidation and Institutionalisation of Change:** This stage includes stabilising the implemented change, guaranteeing its institutionalisation inside the organisation's operational framework, a comprehensive review of the change, and data-driven feedback analysis and remedial actions.

**d. Kotter's Eight-Step Change Model can be Summarised as:**

- a. **Establishing Urgency:** Motivate organisational motion by making goals concrete and applicable.
- b. **Building the Guiding Team:** To successfully lead change initiatives, assemble a team with the ideal balance of organisational hierarchy, abilities, and dedication.
- c. **Clarifying the Vision:** Create a strategy and vision that are clear and succinct, highlighting the creative and emotional elements that are essential to boosting organisational effectiveness.
- d. **Communication for Consensus:** Simplify important messages, attend to individual requirements, and engage a wide range of stakeholders by using inclusive communication tactics.
- e. **Empowering Action:** Promote change by the removal of barriers, the encouragement of constructive criticism, and the provision of strong support, all while giving proper credit for accomplishments and development.

- f. **Achieving Short-Term Wins:** Establish and achieve realistic goals in small steps, avoiding overburdening and making sure that ongoing tasks are finished before starting new ones.
- g. **Maintaining Momentum:** Promote tenacity and resolve, continual reporting of accomplishments, and recognition of accomplished milestones while driving continuing change initiatives.
- h. **Maintaining Lasting Change:** Continually reinforce the benefits of effective change by strategically hiring, elevating, and appointing new change leaders while assiduously integrating the change into the company culture.

## 16.2 Principles of Change Management

- i. Lead with the culture
- ii. Start at the top
- iii. Involve every layer
- iv. Make the rational and emotional case together
- v. Act your way into new thinking
- vi. Engage, Engage, Engage
- vii. Lead outside the lines
- viii. Leverage formal solutions
- ix. Leverage informal solutions
- x. Assess and adapt

## 16.3 Capabilities Required for a Change Management Professional

Organisational changes can result from a variety of causes, and skilled change management specialists play a critical role in guiding companies through these changes. People who are highly skilled in change management are essential to the success of organisational transformations. This chapter outlines the competencies required of change management practitioners, offers examples of these competencies, strategies for honing these talents, and ideas for showcasing these strengths (Mathur, Kapoor & Swami, 2021). The proficiencies essential to a change management specialist comprise an array of abilities that substantially augment an entity's capacity to handle transitions.

1. Types of Organisational Change
  - a. Transitional Change: This refers to changing a company's operations while keeping the majority of what it is now.
  - b. Transformational Change: Consists of a total reorganisation of an organisation's existing activities.
  - c. Developmental Change: aims to raise performance levels by improving current processes.
2. Essential Competencies in Change Management:
  - a. Leadership:
    - i. Vision: A comprehensive comprehension of the goals of the organisational change.
    - ii. Motivation: Encourage and inspire staff members to carry out their responsibilities during the transition process.
    - iii. Honesty and Transparency: Promoting open dialogue regarding the rationale for the change encourages staff commitment.
    - iv. Communication: Effective communication is necessary to tell staff members about the changes and the requirements for their positions.
    - v. Organisation: Strong organisational abilities to develop a transparent change management strategy that includes dates, personal responsibilities, project objectives, and other important details.
    - vi. Active Listening: Active listening is paying close attention to employee input when implementing organisational change.
    - vii. Research: Showcasing research abilities to support the organisation's change management strategy.
    - viii. Project Management: Applying project management techniques to comprehend and oversee many facets of organisational transformation, such as the plan for change management, resources, results, and responsibility.
    - ix. Analytical Skills: Using analytical skills to comprehend information and come to business-wise conclusions.
    - x. Strategic Thinking: Creating a thorough change management plan requires strategic thinking. Developing a solid plan to steer the organisation through the transition requires a thorough understanding of



the organisation's needs as well as an anticipation of the impact of change.

b. People Engagement Skills:

Empathy: A productive shift Leaders and managers must interact with people and show empathy.

c. Interpersonal Proficiency:

Excellent Communication: Capability of efficiently communicating information.

d. Ability to Motivate:

Motivation: The capacity to uplift and encourage people while they change.

e. Resilience and Emotional Intelligence:

Strong emotional intelligence is characterised by resilience and self-awareness.

f. Technical Proficiency:

Technical Proficiency: Comprehending and managing diverse business transformation initiatives.

g. Capabilities for Strategy:

The capacity to think strategically to create a change management plan.

h. Skills of Analysis:

Analytical Abilities: The capacity to evaluate data and reach well-informed conclusions.

i. Capabilities for Organisation:

Organisational proficiency: The ability to efficiently arrange resources and information for change management.

### 16.3.1 Effective Strategy

Effective Strategy can include:

- i. A timeline of the change
- ii. Specific tasks required to make the change
- iii. Responsibilities delegation to each employee
- iv. A deadline or list of milestones for the transition to be complete.

### 16.3.2 Performance Analysis in Change Management

A strong system for monitoring progress is essential to effective change management to make sure that the intended results are realised (Galli, 2018). To evaluate whether the project has succeeded in achieving its goals, it is essential to identify and examine key performance indicators (KPIs). As firms start on transformative journeys, the utilisation of change management capabilities becomes vital. Making well-informed judgements during the planning and execution phases of change requires close coordination with various departments within the organisation.

#### Key Components of Performance Analysis in Change Management:

- i. The process of identifying key performance indicators (KPIs)
  - a. Definition: State KPIs that support the initiative's goals for transformation.
  - b. Relevance: Make sure the KPIs you choose have a clear connection to the objectives of the change project.
- ii. Gathering and Tracking Data:
  - a. Timely Data Collection: Create a methodical procedure for gathering data on time.
  - b. Frequent Monitoring: Throughout the transformation process, keep an eye on the defined KPIs.
- iii. Evaluation of Key Performance Indicators
  - a. Benchmarking: Evaluate present performance about predetermined standards.
  - b. Trend Analysis: Look for patterns or departures from the intended trajectory by analysing trends in KPI data.
- iv. Feedback System:
  - a. Stakeholder Input: To improve the precision and applicability of performance assessments, take into account input from stakeholders at different levels.
  - b. Continuous Improvement: Iteratively enhance techniques and methods for continuous improvement by using feedback.
- v. Compliance with Goals:
  - a. Review of Objectives: Continually assess how well KPIs match the overarching goals of the transformation project.
  - b. Adjust as Needed: Make any required adjustments to KPIs to make sure they keep reflecting the project's changing objectives.

- vi. Cooperation Between Departments:
  - a. Encourage cooperation amongst various organisational departments through cross-functional collaboration.
  - b. Knowledge Sharing: To enable a comprehensive understanding of the transformation process and share data and insights throughout departments.
- vii. Decision-Making Support:
  - a. Making Informed Decisions: Make use of change management skills to offer insightful information when making decisions.
  - b. Risk mitigation involves analysing possible hazards and difficulties to identify them and then suggesting ways to reduce them.
- viii. Record-keeping and Reporting:
  - a. Detailed Documentation: Keep thorough records of all analyses, judgements, and performance statistics.
  - b. Frequent Reporting: Send out regular updates to pertinent parties, outlining achievements, difficulties, and suggested courses of action.

#### **16.4 Theories of Change Management**

The four main theories of change management that Vande and Poole (2021) have identified are the Teleological, Dialectical, Life Cycle, and Evolutionary theories.

1. Teleological Theories: These theories propose that organisations function with intention and adaptability, depicting change as a process that involves setting goals, carrying them out, assessing their effectiveness, and learning from the experience. These ideas, while highlighting the need for learning, also highlight how it might result in goals or the methods used to get them changing.
2. Dialectical Theories: These theories explain stability and change in terms of confrontation and the balance of power between opposing entities. They centre on the goals that conflict among various interest groups. They clarified how competing forces impact the development of organisations.
3. Life Cycle Theories: These theories emphasise the interconnectedness of each stage and are based on the supposition that change is a process that moves through a required series of cumulative stages. Every phase adds something essential to the result, creating a logical and cumulative flow that is thought to be essential for an organisational transformation to be effective.

4. Views of Evolution: According to these views, change occurs because of an ongoing cycle of variation, selection, and retention. Variations happen spontaneously, even though they are not intentional. The selection process chooses the variation that best fits the requirements of the environment and the resources at hand. Retention is the process of sustaining organisational forms that result from these variations through persistence and inertia (Errida, A., & Lotfi, 2021).

These theories are similar in that they view change as a chain of interrelated choices, acts, and occurrences. They differ, meanwhile, in how they portray the amount to which change is structured or predicted and how closely it adheres to crucial stages.

The emphasis that the theories place on the sequential stages of the change process varies. For example, compared to teleological theories, life cycle theories are more prescriptive in describing sequential evolution. Flamholtz (2022) adds even more to this discussion when he states that organisations go through seven stages of development, beginning with the conception of a new endeavour, moving through several periods, and maybe going through decline and then revitalization.

## **16.5 Conclusion**

Large-scale transformation success requires more than just creating the best possible strategic and tactical plans—which have historically been the main responsibility of senior executives and their advisors. Gaining the intended outcomes requires a deep comprehension of the human element, which includes the organisation's culture, beliefs, people, and behaviours. Prioritising plans and procedures—entities that do not offer direct feedback or elicit strong emotions—is a prevalent inclination, even though most executives understand the importance of the human element in the transformation process. It takes a nuanced approach to deal with the more complex and important human issues. The previously mentioned perspectives aid in deciphering the complexities involved in adeptly managing the gentle aspects of transition. Organisations may increase their ability to implement significant and long-lasting change by highlighting how important it is to understand and address the human aspects of change. This is because they will realise that real success comes from the successful fusion of strategic planning with the human components of organisational dynamics.

## 16.6 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. The importance of change management is underscored by the following factors:
  - a. Ensuring an increase in market share
  - b. Shaping the future direction
  - c. Maintaining the variation of existing operations
  - d. Playing critical roles in today's organisations
2. The processes involved in change management encompass all the following:
  - a. Preparing for the change
  - b. Analysing
  - c. Planning and strategy development
  - d. Coordinating the activities
3. Which of the following is not a recommended method for implementing change management?
  - a. Communicating the right message at the right time
  - b. Obtaining front-line manager buy-in
  - c. Holding regular meetings with the workforce
  - d. Training and development
4. Identify the statement that is not a criticism of change management:
  - a. Irrelevant to the core business
  - b. Does not require a process
  - c. Becomes a constant in people's daily life
  - d. Change may be outdated at any time
5. Among the listed options, the principle not associated with change management is:
  - a. Lead with the culture
  - b. Bribe the workforce
  - c. Start at the top
  - d. Leverage formal solutions

### MCQ – SOLUTIONS

1. A    2. B    3. C    4. B    5. B

## **Theory Questions**

1. Define change management and expand upon the foundational principles that underpin effective change management.
2. Examine three primary categories of organisational change.
3. Illustrate and elucidate the essential competencies necessary for effective change management.
4. Enumerate and provide concise explanations of various theories within the domain of change management.

## 16.7 Case Study - Changes, Changes

Within the framework of your consulting work for Jennifer, the owner and manager of a business with 10 employees, you have been assigned to take on the position of Human Resource Management (HRM). Jennifer has realised that a strategic change in HR management is necessary to move her attention to other areas of her firm. After two weeks in this position, you find that the company has been greatly impacted by the present economic downturn. Going forward, the corporation expects overall sales growth of 10 per cent, with some quarters expecting a growth rate as high as 30 per cent. A significant change, though, is that five of the ten employees—who have been with the company since its founding and provide a unique historical perspective—will retire in the next three years. Moreover, the age demographics of the remaining five employees are varied. Jennifer is thinking of ways to cut costs in addition to these upcoming adjustments, such as allowing staff members to work from home one or two days a week. Jennifer has considered turning the physical office into a virtual organisation, despite worries about possible productivity problems related to remote work. She is aware, too, of the possible effects such a radical adjustment might have on the dynamics of communication and employee motivation. In a scheduled meeting, Jennifer expressed her concerns about the rising expenses of healthcare and considered reorganising employee benefits by moving staff members to contract positions instead of full-time employment. She's still not sure if this is a viable choice. To arm yourself with well-informed advice and effectively convey to Jennifer the strategic considerations and solutions related to the difficulties at hand, you perform thorough research in advance of the meeting.

### Questions:

1. Identify the specific organisational changes that are influencing the Human Resource Management (HRM) function.
2. Enumerate key considerations that both the company and the HR department should take into account when undertaking modifications associated with the scenario presented in this case study.
3. Outline the preliminary steps necessary for initiating the planning process in anticipation of the impending changes.
4. Define your role in the implementation of these changes and elucidate the specific contributions you would make to ensure successful execution.

5. Clarify your responsibilities in the implementation of the proposed changes, differentiating them from Jennifer's role in the process. Additionally, expound upon the specific duties Jennifer is expected to undertake in the implementation phase.



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**Recommendation for Further Reading:**

Mathur, M., Kapoor, T., and Swami, S. (2023), "Readiness for organisational change: the effects of individual and organisational factors", *Journal of Advances in Management Research*, 20(4), 730-757.

## **CHAPTER SEVENTEEN**

### **CORPORATE CODES OF ETHICS**

#### **Learning Objectives**

At the end of this chapter, students should be able to;

- i. Define ethics.
- ii. Explain Ethical Codes in an organisation.
- iii. Highlight and discuss types of misconduct and implications for HR practice.
- iv. Explain HR as a Culture Champion.
- v. List and explain the principles for drafting a code of Ethics Document.
- vi. Define employee handbook.
- vii. highlight and explain the importance of the employee handbook.

#### **17.1 Introduction**

The Greek word "Ethos," which denotes a person's moral character as well as the culture of a community, is where the idea of ethics originated. Fundamentally, ethics comprises the beliefs and ideals that direct a person in controlling their actions and choices. Within an organisation, a code of ethics functions as a collection of guidelines that direct the policies, programmes, and commercial choices of the organisation. The ethical stance that a company takes has a big impact on its output, standing, and overall financial results. Numerous business scandals attest to the well-established effects of unethical behaviour on a company's profitability, share price, and reputation (Baumeister & Leary, 2019). More people are seeing that morality and financial success go hand in hand and that morality is ultimately associated with sound economic practices. A corporate code of ethics serves as an official declaration of business principles, aimed at influencing employee conduct and discouraging activities at odds with the organisation's core values. Known as a code of ethics or conduct, these policies might differ significantly amongst businesses. When all employees acknowledge and sign an employer code of conduct, it successfully prevents communication problems and outlines expectations proactively. It also serves to define the company's policy in situations that present ethical hazards (Baumeister & Leary, 2019). For instance, a business that places a high priority on environmental conservation may incorporate guidelines designed to reduce environmentally harmful behaviour into its code of conduct. Codes of conduct may also include rules to

guarantee that workers follow relevant laws and guidelines. This chapter highlights HR's role as a culture champion, examines the dynamics of ethical codes within an organisation, investigates the different kinds of misconduct and how they affect HR practices, provides guidelines for creating an ethical code document, and stresses the importance of the employee handbook.

### **17.1.1 Ethical Codes in An Organisation**

1. **Foster Trust and Respect:** Earn the trust and respect of employees through transparent and principled leadership.
2. **Integrity in Commitments:** Uphold commitments by ensuring that actions align with stated intentions.
3. **Confidentiality:** Safeguard confidential matters and refrain from disclosing personal or business details of one employee to others.
4. **Employee Communication:** Avoid discussing the personal or business matters of an employee with other members of the organisation.
5. **Comprehensive Employee Handbook:**
  - a. Develop an employee handbook that comprehensively outlines the company's mission, and values, and includes a dedicated section on workplace ethics and compliance.
  - b. The ethics and compliance code within the handbook should explicitly enumerate prohibited behaviours and specify the consequences for engaging in such behaviours.
  - c. Distribute a copy of the handbook to each employee for thorough perusal.
  - d. Optionally, conduct a verbal overview of the code with employees, time permitting, to ensure understanding.
6. **Documentation of Employee Acknowledgment:**
  - a. Request each employee to sign a statement confirming their reading of the handbook.
  - b. The signed statement serves as proof that the employee is aware of the company's mission, values, and rules, and signifies their commitment to compliance.
7. **Open Door Policy:**
  - a. Implement an open-door policy that encourages employees to provide feedback and discuss management concerns.

- b. Create a conducive environment for addressing integrity issues by fostering open communication between employees and management.

**8. Adherence to Ethics and Compliance Code:**

- a. Strictly adhere to the company's ethics and compliance code.
- b. Hold employees accountable for violations of the code, ensuring consistent enforcement to underscore the seriousness of ethical standards within the organisation.

**Sources of an Organisation's Code of Ethics**

- a. Society Ethics: Regulates behaviour according to accepted social norms, addressing issues of justice, fairness, poverty, and human rights.
- b. Professional ethics: When behavioural standards are explicit, these principles direct decision-making in particular professions.
- c. Individual Ethics: Moral principles that guide a person's relationships with other people.

**17.2 Types of Misconduct and Implications for Human Resource Practice**

When an employee intentionally disobeys company policies and guidelines or behaves inappropriately or makes bad decisions, it is known as misconduct (Baxter & Rarick, 2016). This unfavourable conduct erodes the employer's faith in the worker. When there is intentional disregard for stated or unstated employee policies, it is considered employee misconduct. Discipline of this kind can have unavoidable repercussions, which can include simple written and verbal warnings, suspension, and termination of job (which, depending on the seriousness of the offence, may also involve legal action (Beer, et al. (2019). Although these are not situations that any company wants to find themselves in, they regrettably happen often when workers are not closely watched and eventually turn against their employers.

**17.2.1 What are the Types of Misconduct?**

Misconduct can be broadly classified into two categories: General and Gross. Both require Human Resource managers to act to address unfavourable employee behaviour, even though one is less serious than the other.

**a. General/Simple Misconduct:**

Misconduct that is classified as general or simple entails actions that are not intended to cause harm to other people or the business. It usually does not justify firing the employee right away,

but to address the problem, HR, the individual's direct supervisor, and documentation are needed (Ferrell, Fraedrich & Ferrell, 2018). Frequent tardiness to work or improper comments made to a coworker are instances of general employee misbehaviour. Although these activities are unwanted, they are not meant to harm the business. Additional incidents could include lying about information on a job application after being hired, disobeying direct supervisor instructions, or smoking in a designated non-smoking area (Flamholtz, 2022).

### **b. Gross Misconduct**

Serious employee misbehaviour includes acts that call for an instant termination, sometimes known as a summary dismissal. This is hostile behaviour that hurts coworkers and the firm (Kaptein & Wempe, 2017). These behaviours give the employer little choice but to swiftly terminate the employee's employment, which frequently entails escorting them off the property. Serious first offences are considered gross misconduct, and employees risk having their employment terminated abruptly. Withholding the last wage payment may occur in situations where the organisation suffers property or financial loss. Given the seriousness of the offence and the possible harm it could do prompt and forceful response is required.

#### **17.2.2 Examples of Gross Misconduct**

- i. Theft or Fraud: Stealing property, finances, or engaging in fraudulent transactions against the company, co-workers, customers, or vendors.
- ii. Property Damage or Negligence: Intentionally causing damage to company property or engaging in negligent actions that result in harm.
- iii. Safety Protocol Violation: Failing to adhere to safety protocols, puts both the employee and co-workers at significant risk.
- iv. Serious Insubordination: Engaging in severe insubordination, such as refusing to follow orders or undermining authority.
- v. Offensive Behaviours: Verbal and physical threats of violence, bullying, sexual harassment, stalking, or other highly offensive behaviours warranting immediate dismissal.
- vi. Breach of Confidentiality: Intentional breaches of confidentiality, particularly in industries where such breaches are considered gross misconduct.
- vii. Substance Abuse: Violating drug and alcohol policies and being under the influence of these substances on the job, leading to immediate termination.

- viii. **Virtual Misconduct:** Misconduct in virtual settings, like leaving a camera and microphone on while making derogatory remarks about the company's CEO during a virtual meeting or sending offensive emails.
- ix. **Conflict of Interest:** Intentionally violating the terms of employment, such as maintaining a side job with a competing firm or running a business conflicting with the main employer.

### **17.2.3 How to Address and Handle Employee Misconduct**

- i. **Create Explicit Policies:** Create a thorough disciplinary policy that outlines expectations, guidelines, and sanctions for infractions.
- ii. **Describe Reporting Procedures:** Explain to staff members how to report wrongdoing clearly and confidentially, protecting them from reprisals.
- iii. **Prompt and Thorough Investigations:** Investigate all claims in a timely and unbiased manner to ensure a fair and comprehensive analysis of employee wrongdoing.
- iv. **Swift and Careful Reactions:** Take appropriate action as soon as misbehaviour occurs but take time to carefully analyse the specifics of each case.
- v. **Application of Policies Consistently:** To prevent impressions of partiality and to advance equity throughout the organisation, consistently implement disciplinary measures.
- vi. **Constant Policy Reviews:** Maintain an inclusive and encouraging work environment by reviewing and updating misconduct rules regularly to ensure they meet legal requirements and organisational needs.
- vii. **Plan for External Communication:** If necessary, create a strategy for transparently communicating with external stakeholders while safeguarding confidential data.
- viii. **Consider External Support:** To guarantee an objective and comprehensive investigation in significant cases, think about enlisting the help of outside investigators.
- ix. **Consult with an Employment Attorney:** To guarantee legal compliance and reduce any possible legal issues, go over the paperwork and decisions with an employment attorney.
- x. **Employee Training:** From their first day on the job, all staff members should get thorough instruction on misconduct and disciplinary procedures with a focus on compliance.
- xi. **Maintain Consistency:** Enforce fairness throughout the organisation by applying disciplinary measures consistently to prevent the impression of bias or favouritism.

- xii. Frequent Policy Reviews: Keep an eye on and update employee misconduct rules to make sure they still meet legal standards and changing organisational demands.

### **17.3 Human Resource (HR) as a Culture Champion**

In the field of human resources (HR), a culture champion is devoted to creating and maintaining a positive work environment. This committed worker not only promotes the organisation's ideals and culture but also has a significant influence on how its culture develops (Mathur, Kapoor & Swami, 2023). A culture champion inspires others and fosters a common belief in the organisation's vision by living up to and advocating for the company's missions and values. These individuals are highly engaged contributors to their respective firms, actively looking out for novel ways to infuse the company's culture.

#### **17.3.1 Characteristics of Culture Champion**

The cultivation of an ideal culture is largely dependent on the leadership of organisations committed to cultural reform or continual improvement. It is important to identify early on those people in the organisation who share this vision; these people are known as culture advocates (Shulga, 2021). These champions are evident throughout the organisation and serve as examples of the ideal behaviours that align with the company's culture. As stewards responsible for motivating desired employee behaviours and beliefs, human resource (HR) professionals are essential in creating and preserving the desired organisational culture. HR directors can show their strategic worth as culture stewards by taking on major roles in establishing the workplace culture (Cacioppe, Forster, & Fox, 2008). As they lead cultural transformation, HR directors should keep the following duties in mind:

##### **a. Champion**

While HR leaders are essential in converting words into deeds and outcomes, executive leaders set the tone for the ideal culture. HR directors act as catalysts for change, educating the organisation and guiding it towards the desired culture. The five main forces behind culture transformation are work teams, performance, human capital practises, leadership ideals, communication, and rituals. HR directors use these factors to comprehend the current culture, spot inconsistencies, and pull levers to successfully mould it (Carroll, 2016).

##### **b. Coach**



HR directors act as culture coaches, bringing managers and staff members into line with the ideal culture while encouraging accountability throughout the entire organisation. HR directors strike a balance between short- and long-term cultural goals, implementing quick fixes that uphold the desired culture while coordinating it with broad goals like continuous client growth.

### **c. Consultant**

By routinely examining culture measurements in conjunction with indicators such as employee engagement and customer outcomes, HR directors play the role of advisors. HR directors may make sure that organisational investments in culture are beneficial and that cultural strategies stay on course by monitoring these metrics. HR leaders can integrate cultural transformation with company objectives and outcomes by creating momentum, establishing accountability, and demonstrating the measurable financial benefits of this continuous analysis (Chowdhury & Shil, 2022).

### **17.3.2 Becoming a Culture Champion: Strategies for Success**

- i. **Assess Your Strategy for Company Culture:** Examine how well your company's culture plan complies with organisational objectives and staff engagement levels to determine how effective it is. To improve cultural initiatives, identify areas that need development.
- ii. **Coach Cultural Outcasts for Increased Involvement: Motivate Cultural Outcasts to Get More Involved:** Identify those who might not feel connected to the cultural transformation and provide them with coaching so they can take an active part in it. Encouraging participation from cultural outliers makes the shift more inclusive.
- iii. **Promote the Value of Corporate Culture through Research:** Make a compelling argument for the importance of organisational culture by carrying out an in-depth investigation. assemble information and proof that demonstrates the beneficial effects of a good corporate culture on worker satisfaction, output, and general economic success.
- iv. **Assign Culture Champion Duties to All Departments in the Company:** Recognise the role HR personnel play in change projects but work to create cultural ambassadors across the board in the company. Make sure that, to add a variety of viewpoints, concepts, and experiences to the cultural change process, culture champions come from different departments and geographical areas.
- v. **Promote Diversity of Thoughts and Experiences:** Stress the value of having cultural evangelists from a range of departments, backgrounds, and places. This diversity

guarantees a wide range of viewpoints, which promotes a more thorough and inclusive cultural revolution.

- vi. **Encourage Shared Accountability for Organisational Change:** By fostering a sense of shared accountability among all employees, you may change the idea that HR is the only department responsible for cultural reform. Establish a culture in which all individuals are aware of their part in facilitating effective organisational change.

#### **17.4 Principles for Drafting a Code of Ethics Document**

Comprehending the fundamental ideas that guide moral conduct is essential to creating an all-encompassing code of ethics. To build a strong and practical ethical framework, use the following 10 business ethics principles as a guide:

**Leadership:** Leadership is the deliberate application and modelling of moral values to direct actions and choices in both personal and professional contexts.

**Accountability:** It entails taking responsibility for one's own and other people's acts, adhering to moral principles, and practising ethics.

**Integrity:** Including truthfulness, dependability, and reliability. People with integrity always make an effort to act morally and hold themselves to higher standards.

**Respect for Others:** Promoting moral conduct in the workplace by acknowledging each person's right to privacy, equality, respect, opportunity, and compassion.

**Sincerity:** Promoting an ethical atmosphere requires placing a strong emphasis on the truth in all things. Transparency in the dissemination of both positive and negative news is essential to promoting performance enhancement.

**Observance of the Law:** Following all local, state, and federal laws is a requirement of ethical leadership, which means staying inside the lines of the law rather than taking advantage of loopholes.

**Transparency:** Keeping trade secrets safe while informing stakeholders on finances, pricing adjustments, hiring and firing procedures, wages, salaries, and promotions. Integrity cultivates responsibility and trust.

**Compassion:** Treat customers, business partners, the community, and staff with sincere concern for their well-being.

**Loyalty:** Encouraging adherence to best practices by exhibiting discretion and dedication to staff members and the organisation.

**Environmental Concern:** Raising understanding and showing concern for the effects of corporate practices on the environment while acknowledging the finite resources, historical environmental harm, and climate change. motivating staff members to offer ideas for reducing environmental harm

## **17.5 Employee Handbook**

Every company's employee handbook, which contains crucial policies, processes, and organisational culture, is a fundamental document (Buckley, 2021). Alternatively referred to as a staff handbook or personnel manual, this comprehensive guide establishes an organisation's operational foundation (Shulga, 2021). For both new and current employees, an effective employee handbook is essential to convey the mission, values, policies, and procedures of the organisation. It acts as an overview of the business, providing details about its mission, values, and standards for workers (Carroll, 2016).

### **17.5.1 Key Functions of an Employee Handbook**

- i. **Sharing the Company's Identity:** gives employees a thorough grasp of the organisational culture by articulating the company's vision, values, and operating rules clearly and understandably.
- ii. **Clearly Outlining Expectations:** lays forth clear expectations for the business and its workers. The guidebook outlines performance requirements, expected behaviours, and reciprocal duties.
- iii. **Advice regarding Conduct in the Workplace:** describes performance criteria and anticipated behaviour at work. It acts as a reference manual for staff members to ensure they are acting according to the company's behavioural expectations.
- iv. **Facilitating the Onboarding Procedure:** The guidebook helps with the onboarding process and is best given to new hires on their first day of work or even sooner. It is best practice to send it with an email or welcome letter to new hires to introduce them to the company's rules.
- v. **Mutual Comprehending:** reduces misunderstandings and disputes by outlining the terms of engagement in detail, which promotes mutual understanding between the organisation and its workers.

- vi. Framework for Law and Compliance: ensures that workers are informed of their rights, obligations, and the regulatory environment that governs the workplace by providing a foundation for legal and compliance requirements.

## **17.6 Conclusion**

In the modern workplace, morality and individual principles become critical factors. Businesses cannot succeed unless both bosses and employees consistently uphold high standards of behaviour. There is no shortage of data to support the importance of ethics in business, as unethical behaviour can hurt a company's profitability, share price, and reputation. Business scandals frequently stem from a lack of morals, highlighting the vital role ethics play in an organisation's long-term viability and success. Maintaining moral principles not only protects a business's reputation but also enhances its long-term profitability and benefits the business community. Essentially, putting ethics first is not just the right thing to do, but also a necessary component of long-term corporate success.

## 17.7 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. The concept of ethics is best described as:
  - a. Providing justifications for inappropriate actions
  - b. Principles and values an individual employ to govern activities and decisions
  - c. Reflection of an individual's character and a community's culture
  - d. A set of principles guiding organisational programs.
2. Which of the following is not a principle of ethics?
  - a. Prioritizing business profitability and continuous improvement
  - b. Emphasizing customer satisfaction
  - c. Incorporating corporate responsibility for environmentally friendly use of resources
  - d. Focusing on customer relations.
3. The two types of conduct are:
  - a. Specific and actual misconduct
  - b. Normal and abnormal misconduct
  - c. General and Gross misconduct
  - d. Simple and serious misconduct.
4. Methods for addressing employee misconduct include all of the following:
  - a. Implementing an effective disciplinary policy
  - b. Outlining a process for reporting employee misconduct
  - c. Deciding on an external communication plan
  - d. Working toward alternative courses of action.
5. Who qualifies as a cultural champion in an organisation?
  - a. Subordinate
  - b. Workforce
  - c. Leader
  - d. Individual.

### MCQ – Solutions

1. B    2. A    3. C    4. D    5. C

## **Theory Questions**

1. Define the Corporate Code of Ethics:
2. Enumerate and Elaborate on Ethical Codes within an Organisation:
3. Identify the Categories of Misconduct in an Organisation:
4. Elaborate on the Role of HR as a Culture Champion:
5. Examine the Significance of an Employee Handbook in the Workplace:

## **17.8 Case Study - Human Resource Planning and Virtual Human Resource Management**

The field of human resource management has experienced a radical transformation in recent times, mainly due to the rapid expansion of the Internet and advances in computer technology. Many causes are driving this transformation, but one major driver is the globalisation of business. With companies expanding their activities and workers across international borders, it is necessary to have a unified, worldwide HRMIS. This has given rise to virtual HRM, which is based on the World Wide Web. Nine out of ten companies use the Web extensively for HR-related tasks, according to a comprehensive 2006 poll that included 325 major organisations in North America. This is a significant increase from the 27 per cent of companies surveyed in 1977. The number of U.S. organisations using the Internet for HR systems has more than tripled in the last ten years. The most common uses for this technology are in corporate communications, applicant and resume tracking, benefits and retirement planning, and corporate communications. Humana Inc., an HMO with six million clients and about 20,000 employees, is a notable example of recruitment practices. Humana has transformed their hiring procedures by implementing an advanced candidate tracking and identification system with success. Using specialised software, select searches millions of websites for resumes that meet Humana's specifications. This reduces recruitment costs and increases productivity.

Nonetheless, there are difficulties in incorporating the Internet into HRP processes, especially when it comes to moral and legal issues. Large volumes of information are easily accessible, which raises questions regarding possible exploitation by both staff and unauthorised users. Organisations must have strong security measures in place to protect the confidentiality and integrity of these virtual HR systems. Global organisations like Citibank, which maintains a single global HRIS managing comprehensive skill inventories, compensation databases, and HR practises for a diverse workforce spanning 98 countries and 10,000 managerial personnel worldwide, serve as further examples of the transformative impact of virtual human resource management. In a similar vein, Shell Oil Company has embraced employee self-service benefits and pay plans, enabling staff members worldwide to handle numerous HR tasks independently. The potential benefits to the organisation from this digital transformation outweigh the difficulties in managing it. In addition to increasing productivity and cutting expenses, the thoughtful application of virtual HRM emphasises how vital it is to protect the moral and legal aspects of this changing HR environment. The potential benefits to the organisation from this digital transformation outweigh the difficulties in managing it. In addition to increasing productivity and cutting expenses, the thoughtful application of virtual

HRM emphasises how vital it is to protect the moral and legal aspects of this changing HR environment.

### **Discussion Questions**

1. How has the emergence of the Internet changed the way that organisations plan and manage their human resource needs?
2. What kinds of future human resource activities might we see developed over the next several years?
3. What are the legal and ethical issues surrounding the use of the Internet by individual employees for human resource activities? Are you concerned about violations of your privacy because of these kinds of Web applications?
4. What specialised skills will the future HRIS professional need to effectively manage an organisation's virtual human resource function?



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## CHAPTER EIGHTEEN

### ETHICAL ISSUES IN GLOBAL HR PRACTICES

#### Learning Objectives

At the end of this chapter, students should be able to;

- i. Discuss ethical issues in global HR practice.
- ii. Highlight and explain the types of dilemmas faced by HR professionals.
- iii. Define stakeholders.
- iv. List and discuss various approaches to resolving dilemmas.

#### 18.1 Introduction

When it comes to recruiting and firing decisions, human resource (HR) management decision-making requires a steadfast dedication to impartiality and fairness (Al-Tarawneh, 2020). To respect moral principles, these important choices must be made without considering factors such as sexual orientation, gender, race, ethnicity, or religious convictions. HR professionals must put anti-bias measures into place and make sure that they rigorously adhere to business standards. Moral quandaries emerge in the middle of the complexity of the globalised economic environment, emphasising how critical it is to address issues like disrespect for cultural diversity. Challenges continue despite international regulations that emphasise how important it is to preserve a nation's culture and customs (Costea et al., 2012). To add even more moral strain to the ethical environment are the differing positions that various nations have on bribery in overseas activities. This chapter explores the wide range of ethical conundrums that HR professionals face, including stakeholder-related difficulties, and offers suggestions for how to effectively resolve these complex ethical conundrums. Fostering ethical HR practises and sustaining sustainable success require a comprehensive knowledge of these problems as organisations traverse the complexities of the globalised environment.

##### 18.1.1 Types of Dilemmas Encountered by HR Professionals

- a. **Personal Dilemmas:** Personal dilemmas present ethical challenges that demand individuals to make specific decisions. The choices in such dilemmas are often stark, with one option aligning with ethical standards while the other unmistakably contradicts them (Fernández-de-Tejada et al., 2019). Examples include:

- i. Monitoring teens on social media
  - ii. Ghosting
  - iii. Intentionally misinterpreting data
  - iv. Selling a car without disclosing negative details
  - v. Cheating on a significant other
  - vi. Deciding whether to lie to a sick loved one
  - vii. Contemplating the sharing of political learnings
  - viii. Determining whether to report an accident.
- b. **Team Dilemmas:** Teams, as cooperative units pursuing common goals, introduce unique ethical challenges (Jones, Smith, & White, 2018). Key considerations include:
- i. Sacrificing independence for team success
  - ii. Addressing free riders who benefit without contributing equally
  - iii. Navigating potential dysfunctions, such as lack of commitment, avoidance of accountability, and inattention to results. Types of Teams:
  - iv. Formal Teams: Part of the organisational structure, including vertical (manager-subordinates) and horizontal (cross-functional, committees).
  - v. Cross-functional Teams: Formed for specific tasks and dissolved upon completion.
  - vi. Committees: Long-lived and often permanent structures focusing on recurring tasks.
- c. **Organisational Dilemmas:** Organisations grapple with a myriad of workforce challenges as they prioritise enhancing employee experience and culture (Smith, 2020). HR professionals face increasing complexities in areas such as:
- i. Employment issues
  - ii. Cash and incentive plans
  - iii. Employees discrimination
  - iv. Performance appraisal
  - v. Privacy concerns
  - vi. Safety and health considerations
  - vii. Restructuring and layoffs
  - viii. Information technology dilemmas
  - ix. AIDs testing
  - x. Whistleblowing on illegal or immoral practices.

- d. **Regulatory Dilemmas:** Regulatory dilemmas involve interactions with regulatory authorities and compliance requirements. Approaches include command and control, performance-based, and management-based strategies (Olanipekun, Jayeoba, 2022). These dilemmas arise from the need to navigate legal and compliance landscapes within organisational practices.

## 18.2 Dealing with Stakeholders:

In this situation, the main stakeholders are the shareholders, the employees, and the public. Every group has an important role to perform, and morality must always come first.

1. **Shareholders:** As legitimate business owners, shareholders have moral obligations related to communicating their preferences to the organisations they do business with. According to Magrizos and Roumpi (2020), this communication promotes a shared commitment to progress. Companies must pay dividends, bonuses, and bonus shares to shareholders as a way of thanking them for their investment. Remarkably, some companies have limited-share management structures that are strongly impacted by promoter family members.
2. **Employees:** Workers are an essential stakeholder group. Prioritising equitable treatment, non-discrimination, and a secure workplace are essential components of ethical HR practices. Sufficient remuneration and acknowledgement for their endeavours according to ethical principles (Simões et al., 2019). Developing a diverse and inclusive culture also improves the organisation's overall ethical framework.
3. **Society at Large:** Corporate decisions have an effect on society at large, thus ethical concerns are necessary. Businesses must solve environmental issues, help local communities, and uphold moral corporate standards to positively impact society (Johnston, 2018). Building trust and goodwill with the public requires open and honest communication.

In summary, making moral decisions with stakeholders calls for a well-rounded strategy that acknowledges the variety of interests at stake and guarantees justice, openness, and conscientious corporate citizenship.

## 18.3 Approaches to Resolving Dilemmas

Managers have difficulties that frequently go beyond established protocols and conduct guidelines while negotiating the complicated terrain of ethical quandaries. Different

techniques, each with specific qualities and considerations, are needed to address these conundrums:

- a. **Compromise:** Compromise achieves a balance between cooperation and aggressiveness. Finding a halfway ground that somewhat appeases all sides concerned is its goal. appropriate when the possibility for collaboration to be disrupted outweighs the advantages of competition and the aims are somewhat significant (Doe, 2019). Though excessive compromise may jeopardise core values and long-term goals, it can also provide short fixes.
- b. **Avoidance:** This strategy works well when there is little power to bring about change or when the issue is relatively insignificant. When letting someone cool off is required or when facing conflict might cause more harm than good, it could be sage to do so (Dasti et al., 2020). Avoidance should not, however, take precedence over other considerations while making important decisions.
- c. **Communication:** Using a variety of techniques, such as disputing the paradox, utilising value theory, and looking for other solutions, one can effectively resolve ethical quandaries through communication. Making ethical decisions involves analysing circumstances, selecting options that prioritise greater good or lesser evil, and rethinking issues to find fresh answers (Anderson, 2017).
- d. **Collaboration:** Finding mutually agreeable solutions requires forceful and cooperative behaviour in collaborative resolution. Collaboration is vital when issues are too important to compromise on; it allows people to work together to solve problems by using their creativity and communication skills to come up with solutions that work for everyone (Dijk, 2012).
- e. **Coercion:** The moral conundrum in coercion is how to strike a balance between causing damage (maleficence) and promoting good (beneficence). When thinking about this strategy, it is essential to comprehend the subtle differences between autonomy and compulsion (Doe, 2019).
- f. **Consultation:** Getting input or guidance from others - especially ethics consultants - allows one to acquire a variety of viewpoints and ideas on difficult ethical problems. This cooperative method improves decision-making by utilising consultants' knowledge and experiences (Olanipekun & Jayeoba, 2022).
- g. **Managerial Ethical Initiatives:** By comprehending moral principles, promoting moral discussion, utilising a balance sheet method, including staff members at all levels of the

organisation, and incorporating moral decision-making into strategic management, managers can proactively handle ethical concerns (Al-Tarawneh, 2020).

#### **18.4 Conclusion**

Managers must navigate the complex terrain of business management while attempting to resolve moral conundrums. These difficulties are especially evident in the field of human resource management (HRM), where important choices consistently require an unwavering dedication to equity and inclusivity, regardless of sexual orientation, gender, race, ethnicity, or religious beliefs. HR specialists are essential in making sure that hiring and firing decisions are made impartially and strictly by strict business requirements. This dedication to objectivity is necessary to promote an inclusive and diverse work environment. Businesses face complicated and diverse ethical concerns on a worldwide basis. Thoughtful thinking is required for pressing concerns like global justice, reparations, public health, freedom of expression, religious freedom, climate change, and the maintenance of democratic principles. Furthermore, worries about immigration and terrorism highlight how linked ethical issues are on a worldwide scale.

To successfully traverse the ethical intricacies inherent in human resource management (HRM) as well as more general global concerns, managers must be watchful as the corporate landscape changes and embrace ethical decision-making frameworks and collaborative techniques. Fairness, inclusion, and ethical responsibility are values that businesses can embrace to have a beneficial and long-lasting effect on the workforce as well as the larger global community.

## 18.5 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. Among the given options, which does not represent a personal ethical dilemma in the organisation?
  - a. Monitoring teens on social media
  - b. Hosting
  - c. Intentionally misinterpreting data
  - d. Proper education
2. Which of the following is not among the ethical issues currently faced by Human Resources?
  - a. Engagement plan
  - b. Employment issues
  - c. Cash and incentive plan
  - d. Performance appraisal
3. Identify the approach that is not considered effective in resolving dilemmas from the options below.
  - a. Compromise
  - b. Friendly
  - c. Avoidance
  - d. Communication
4. What initiative should a manager avoid when seeking to resolve ethical issues in the organisation?
  - a. Know the principles
  - b. Debate moral choices
  - c. Balance sheet approach
  - d. Seek advice
5. Which of the following is not part of the ethical decision-making framework?
  - a. Utilitarian ethics
  - b. Bilateral ethics
  - c. Deontological ethics
  - d. Virtue ethics



### **MCQ – Solutions**

1. D    2. C    3. B    4. C    5. B

### **Theory Questions**

1. Examine and provide concise discussions on various types of ethical dilemmas within organisational contexts.
2. Enumerate the approaches employed in resolving ethical dilemmas within an organisational framework.
3. While there are no universally applicable solutions for addressing ethical issues, managers can adopt diverse initiatives. Outline and elucidate these initiatives, supported by relevant examples.
4. Elaborate on regulatory issues by offering a comprehensive explanation of their nature and implications within organisational contexts.

## 18.6 Case Study

Mr Thirumalai, who returned from the United Kingdom a short while ago, took up the role of Principal at a Thanjavur-based private engineering college. He brought with him a dedication to professionalism, order, and discipline. He held an MBA from Oxford University with a focus on human resources management. Mr. Thirumalai, to give the college's staff a unique look, started the process of instituting dress codes to give the instructors a polished and uniform appearance.

He sent an official circular outlining this initiative to every faculty member. The professors' written memoranda, which the principal received two months after the initial muted responses, asked for a return to the old clothing rule. According to their argument, donning the required coats might cause discomfort and asphyxia because many schools lack enough ventilation. Despite this appeal, Mr Thirumalai stuck to his guns, implying that he was going to threaten and coerce the workers. Many employees reported the issue to the Human Rights Violation Commission in reaction to these acts. After investigating, the commission instructed the principal to make sure that staff members had all they needed to easily follow the dress code. Despite his agreement to follow the commission's directives, Mr. Thirumalai did not take the necessary steps to ensure their execution. After that, one employee successfully contested the dress code directive in court and won. In the end, a large portion of the faculty chose not to wear the required neck coats to class, therefore the principal was unable to enforce the dress code.

### Questions

1. Identify the factors contributing to the lack of support from the staff towards the dress code.
2. Conduct a thorough analysis of the case and propose viable solutions for Mr Thirumalai to navigate this challenging situation.

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## CHAPTER NINETEEN

### DEVELOPMENT OF MULTINATIONAL CORPORATION/ENTERPRISES WIDE HR MANAGEMENT POLICIES

#### Learning Objectives

At the end of this chapter, students are expected to;

- i. Define the concept of a Multinational Corporation (MNC).
- ii. Illuminate and elucidate the goals and objectives inherent to Multinational Corporations.
- iii. Explicate the significance of policy formulation for Multinational Corporations.
- iv. Enumerate and describe the key components comprising a standard Human Resources policy for Multinational Corporations.
- v. Analyse the Policy Cycle within the context of Multinational Corporations.
- vi. Engage in a comprehensive discussion on the challenges, bottlenecks, and evaluation process associated with Human Resources policies in Multinational Corporations.

#### 19.1 Introduction

An organisation that engages in profitable operations in two or more nations and is involved in the production and global marketing of goods and services is known as a multinational corporation (MNC). An MNC serves as a vital channel for the flow of capital, managerial know-how, cultural aspects, technology, industrial knowledge, product design, brand identity, goods, and services. It also provides superior data collection capabilities, insights from its headquarters, and the pursuit of opportunities outside of home markets. Due to their strong financial position, multinational enterprises (MNEs) are better able to take on the risks involved in large-scale undertakings than local businesses (Patel, 2019). The common consensus is that an MNE's primary goal should be to maximise shareholder wealth. Setting this kind of goal becomes essential since every choice made inside the MNE framework needs to work towards this overall goal. As a result, policy formulation inside the framework of MNEs assumes a central role. This chapter explores the foundational elements of policy creation for Multinational Corporations (MNCs). It also looks at the elements that are essential to a typical MNC HR policy, the policy cycle that MNCs have, and the obstacles that arise during the

design, development, deployment, implementation, and review stages of an MNC HR policy (Smith, 2020).

### **19.1.1 Essence of Policy Formulation for MNC**

Multinational Corporations (MNCs) must carefully evaluate how much their foreign subsidiaries' or units' HR practises differ from one another while developing their international HR policies. Policies of this kind need to take into consideration differences in employment law, features of the labour market, various employee relations procedures, and possible cultural differences in how people are treated. The main goal is to apply policies equitably and consistently, and frontline managers are essential to this process. Because frontline managers are the ones who implement HR rules, Dennis (2004) stresses the significance of creating policies specifically for them. Although HR staff members provide direction, line managers are the ones in the driver's seat when it comes to hiring decisions. In this situation, HR's responsibilities include explaining and interpreting the policies, convincing line managers of their importance, and offering assistance and training to ensure successful implementation (McDonnell et al., 2014).

### **The Fundamentals of Developing Policies for Multinational Corporations**

As noted by Korten (2015) and Smith (2020), the following are the fundamentals of developing policies for MNCs

- i. Strive for sustainable development while making a positive impact on the economy, the environment, and society.
- ii. Observe the universally acknowledged human rights of those impacted by multinational corporations.
- iii. Promote the development of local capability by working in partnership with nearby companies and communities while adhering to ethical business practices.
- iv. Encourage the development of human capital by supporting staff training programmes and opening employment options.
- v. Avoid requesting or accepting exemptions from laws or regulations that go beyond what is required by law regarding matters about human rights, the environment, health and safety, labour, taxes, financial incentives, or other relevant issues.
- vi. Maintain strong corporate governance practises by implementing them in all businesses and the communities in which they operate.

- vii. Create and put into place efficient self-regulation procedures and management frameworks that foster mutual trust and confidence between businesses and the communities they interact with.
- viii. Encourage employees of multinational corporations to be aware of and abide by the company's policies using suitable communication and training initiatives.

## 19.2 Components of a Typical MNC HR Policy

### Overall Policy

A multinational corporation's (MNC) overarching policy sets forth the company's commitment to meeting its social obligations to its workforce and defines its views towards them. The organisation's principles or views on how people should be treated are expressed in this statement (Anderson, 2017). Important principles included in a comprehensive policy statement could mention things like fairness, thoughtfulness, organisational learning, human performance, work-life harmony, good working conditions, and quality of life (Noike, 2014). Even though many organisations share these values, there is a problem with how to put them into practice when business-led decisions that are motivated by the need to succeed in the marketplace could go against employee-centric values like fairness, consideration, work-life balance, and working conditions (Ivanovic, 2005). For those creating HR policies, finding a balance between these frequently conflicting goals is a challenge.

#### A. Specific Policies

The specific policies as noted by scholars (Anderson, 2017; Nilks & Nordhaug, 2013; Smith, 2020) are stated below:

1. **Equal Opportunity:** Affirming the organisation's commitment to providing equal opportunities irrespective of sex, race, creed, disability, age, or marital status.

#### Key Components:

- i. Direct and indirect discrimination avoidance.
  - ii. Application of equal opportunity principles across HR policies.
  - iii. Positive training and encouragement for under-represented groups.
2. **Managing Diversity:** Recognizing and harnessing differences among employees to create a productive environment.

### **Key Components:**

- i. Acknowledging cultural and individual differences.
  - ii. Valuing diverse qualities employees bring to their jobs.
  - iii. Eliminating bias in selection, promotion, performance assessment, pay, and learning opportunities.
3. **Age and Employment:** Recognizing age as a poor predictor of job performance and promoting engagement, promotion, and training irrespective of age (Korten, 2015).

### **Key Components:**

- i. Rejecting age-related criteria in job advertisements.
  - ii. Focusing on ability rather than age in selection, promotion, and training
4. **Promotion:** Stating the organisation's intent to promote from within while recognizing occasional external recruitment needs.

### **Key Components:**

- i. Encouraging internal job applications.
  - ii. Ensuring employees
5. **Work-Life Balance:** Defining how the organisation facilitates flexible working patterns for employees to balance work and personal responsibilities (Johnson, 2018).

### **Key Components:**

- i. Implementing flexible work practices.
  - ii. Providing guidelines for arrangements such as flexible hours, compressed working weeks, term-time working, and special leave.
6. **Employee Development:** Expressing the organisation's commitment to continuous employee skill and ability development.

### **Key Components:**

- i. Maximising employee contribution through skills development.
  - ii. Enhancing career opportunities and employability within and outside the organisation.
7. **Reward:** Encompassing equitable pay, equal pay for equal value, performance-based pay, gainsharing, profit-sharing, and acknowledgement of non-financial rewards.



### **Key Components:**

- i. Providing an equitable pay system.
  - ii. Aligning pay levels with market rates.
  - iii. Emphasizing non-financial rewards.
8. **Involvement and Participation:** Acknowledging the importance of employee input in matters affecting them.

### **Key Components:**

- i. Defining mechanisms for employee voice.
  - ii. Incorporating joint consultation and suggestion schemes.
9. **Employee Relations:** Outlining the organisation's approach to employee representation rights and partnerships with trade unions.

### **Key Components:**

- i. Recognizing employee rights to representation through unions or representative systems.
  - ii. Emphasizing partnership with trade unions.
10. **New Technology:** Confirming consultation on new technology and minimizing risks to employees.

### **Key Components:**

- i. Consulting on technology introduction.
- ii. Mitigating adverse effects on terms, conditions, and working arrangements.

## **B. Employee Well-being Policies in MNC HR Policy**

On the other hand, Anderson (2017); Johnson (2018) and Smith (2020) also enumerated some of the employee wellbeing policies in MNCs which include but are not limited to the following

1. **Health and Safety:** Addressing the organisation's commitment to providing healthy and safe workplaces.

### **Key Components:**

- i. Ensuring healthy and safe working conditions.
2. **Discipline:** Stating employees' right to know expectations and consequences of rule infringement.

**Key Components:**

- i. Applying principles of natural justice in disciplinary cases.
3. **Grievances:** Affirming employees' right to raise grievances and the process for resolution.

**Key Components:**

- i. Providing channels for grievance resolution.
  - ii. Ensuring confidentiality and appeal mechanisms.
4. **Redundancy:** Expressing the organisation's efforts to avoid involuntary redundancy and ensuring fair treatment if unavoidable.

**Key Components:**

- i. Utilising redeployment and retraining procedures.
  - ii. Offering maximum warning and assistance for alternative work.
5. **Sexual Harassment:** Prohibiting sexual harassment and outlining procedures for handling complaints.

**Key Components:**

- i. Ensuring a zero-tolerance policy.
  - ii. Providing support for victims.
  - iii. Enforcing confidentiality and disciplinary measures for proven cases.
6. **Bullying:** Condemning bullying and specifying disciplinary actions for perpetrators.

**Key Components:**

- i. Establishing a zero-tolerance stance.
  - ii. Facilitating discussion and complaint mechanisms.
7. **Substance Abuse:** Addressing substance abuse issues and aiding affected employees.

**Key Components:**

- i. Offering advice, help, and reasonable absence for treatment.

- ii. Safeguarding employment rights during treatment.
8. **Smoking:** Establishing rules for smoking, if permitted at all.

**Key Components:**

- i. Defining no-smoking zones.
9. **HIV/AIDS:** Addressing HIV/AIDS risks and dispelling discrimination.

**Key Components:**

- i. Implementing precautions in occupations involving blood contact.
  - ii. Maintaining confidentiality and treating infected individuals like those with any severe illness.
10. **E-mails:** Regulating email use and potentially monitoring excessive or inappropriate usage.

**Key Components:**

- i. Prohibiting offensive emails

### 19.3 Policy Cycle of an MNC

Within a multinational organisation, creating and enforcing HR policies requires a methodical and exhaustive procedure (Nilks & Nordhaug, 2013; Stiglitz, 2013). The following are the essential processes in creating these policies:

- i. **Understand Corporate Culture and Core Values:** Gain an understanding of the corporate culture and core principles of the organisation to better understand how these elements have shaped its identity.
- ii. **Evaluate Current Policies:** Examine current written and unwritten policies that the organisation has in place. Recognise the possibility of implicit HR rules even in the absence of official paperwork.
- iii. **Examine External Influences:** Take into account the effects of external elements such as European Community Employment Regulations, UK employment laws, and recommendations from reputable organisations like the Health and Safety Executive, ACAS, EOC, and CRR. Check the codes of conduct of pertinent professional associations, including the CIPD.

- iv. **Find Policy Gaps and Inadequacies:** Evaluate areas where new policies may be required or where current policies may not be enough.
- v. **Engage with Management Perspectives:** To learn about management opinions on HR policies and pinpoint areas that could use change, consult with managers, beginning at the executive level.
- vi. **Seek for Employee Feedback:** Use tools such as attitude surveys to get an idea of how staff members feel about the equity and fairness of HR rules.
- vii. **Engage with union representatives** to ensure alignment with collective bargaining agreements and to integrate their opinions. Consult with union representatives.
- viii. **Analyse Data and Draught Policies:** Examine the information gathered in the previous phases and create thorough policies that tackle issues and needs that have been identified.
- ix. **Collaboration between Management and Union Representatives:** Work together to debate, improve, and reach consensus on the suggested policies.
- x. **Communication and Training:** Ensure clarity and transparency by disseminating the finalised policies together with implementation guide notes, if needed. To enhance comprehension and compliance, provide training sessions to support the message.

#### **19.4 Challenges in The Conception, Development, Deployment, Implementation, and Evaluation of HR Policies in MNCs**

Financial management in Multinational Corporations (MNCs) faces a range of obstacles that fall into the environmental, legal, or ethical categories as they work to maximise the firm's value (Schuttr, Swinnen & Wouters, 2013).

- i. **Environmental limitations:** Different nations impose environmental limitations, which force subsidiaries to pay extra for construction codes and pollution controls to comply. Stricter anti-pollution legislation in European countries is an example of how environmental law changes that introduce more complexity.
- ii. **Regulatory Restrictions:** Different nations have different laws governing taxes, currency convertibility, and remittance of earnings, which influence subsidiaries' cash flows. Financial managers need to be aware of current laws and regulations and prepare for any changes that may occur.

- iii. **Ethical Constraints:** Ethical differences arise from the lack of a globally recognised standard for commercial conduct. Different countries may view some practices as acceptable or unethical; this is evident in their views on bribery, for example.
- iv. **Bottlenecks in the Conception:** Various opinions about how multinational corporations (MNCs) affect their host nations, ranging from development to allegations of underdevelopment, joblessness, and environmental damage. Some claim that wealthy states are driving globalisation, which is damaging indigenous knowledge systems and promoting inequality.
- v. **Bottlenecks in the Deployment:** Staff distribution, inter-location, inter-departmental, and re-designation movements are all included in the deployment process. The interpretation of deployment includes the posting of initial personnel, retention tactics, and other human resources responsibilities, with a focus on recruitment, selection, and onboarding.
- vi. **Bottlenecks in the Development:** As industrialised nations' economies continue to grow, a variety of legal organisations both inside and outside of national borders have emerged. Originating in the early stages of capital concentration, multinational corporations have grown to be important participants in international trade.

## 19.5 Conclusion

In conclusion, the hallmark of a multinational corporation (MNC) is its international business operations, which surpass the boundaries of its nation of origin. These businesses operate in a small number of nations throughout the world, setting up operations such as warehouses or distribution centres in at least one other country. An MNC's major focus stays on the home market even when it engages in foreign trade. A multinational corporation's main characteristic is that it operates in two or more nations, with its headquarters usually located in the nation of origin. MNCs can navigate a variety of marketplaces and take advantage of possibilities globally because of their global business strategy.

## 19.6 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. In the realm of corporate structures, a Multinational Corporation exemplifies which of the following?
  - a. Private enterprises
  - b. Franchise
  - c. Joint venture
  - d. International Company
2. Among the essential aspects of policy formulation for Multinational Corporations, which one is not included?
  - a. Contribute to economic, environmental, and social progress
  - b. Encourage competition
  - c. Encourage local capacity building
  - d. Respect the internationally recognised human rights
3. Which of the subsequent values is not typically expressed in an overarching statement of HR policies?
  - a. Work-life balance
  - b. Organisational learning
  - c. Consideration
  - d. Equity
4. The reward policy of a Multinational Corporation is likely to encompass all of the following except:
  - a. Providing an equitable pay system
  - b. Equal pay for work of equal value
  - c. The motivation of local employees should not be the same
  - d. Paying for performance, competence, skill, or contribution
5. Regarding the Sexual Harassment policy of a Multinational Corporation, which statement is not consistent with its coverage?
  - a. Sexual harassment is regarded as gross industrial misconduct
  - b. Assistance will be given to the employee to complain formally
  - c. Employee victims will be charged to court
  - d. Sexual harassment will not be tolerated

## MCQ – Solutions

1. D    2. B    3. C    4. C    5. C

## Theory Questions

1. Provide a comprehensive definition of a Multinational Corporation (MNC).
2. Enumerate the fundamental aspects of policy formulation crucial for Multinational Corporations (MNCs).
3. Elaborate on the values articulated in a comprehensive statement of Human Resources (HR) policies.
4. Explain the concept of managing diversity.
5. Analyse the impact of environmental constraints on Multinational Corporations (MNCs).

### 19.7 Case Study - Re-Entry Problems

After working as a financial manager for a stimulating three years in a U.S. multinational corporation's Japanese unit, John Handel spent the last two months returning home. John recognised the exciting and demanding nature of his work in Japan, which led to a promotion and exposed him to a variety of work practises and processes, as he sat in his vacant office overlooking the city skyline. In contrast to his prior role at the Asia Pacific Regional Office, his interactions with local Japanese coworkers and American expatriates greatly aided in his professional development and boosted his self-esteem. For John's family, however, the re-entry procedure presented significant difficulties. His wife, Anne, had challenges, especially with their two teenage daughters enrolled in an international school located a good distance away from the Japanese subsidiary. As a pathologist, Anne faced difficulties finding work in her native Australia, primarily as a result of department cutbacks brought on by lower government funding. Even though the kids did well at the foreign school, their return to Australia turned out to be difficult and even painful. The difficulties also affected John's older son, whose non-recognition of the International School's accreditation made it difficult for him to obtain university courses. John's return to the Regional Office came at a bad time, as headquarters was restructuring the worldwide business, which made problems much more complicated. The goal of this reorganisation was to move the Regional Office to Japan and elevate it to the status of Regional Headquarters. John found himself in a hazardous situation despite the decision's clear financial rationale, which was to centre Asian-Pacific activity around the Japanese site. The

news of colleagues at the regional office being laid off added to the challenges. John's supervisor communicated that someone from headquarters or, more likely, Japan would take over his job. The ramifications of the worldwide reorganisation caused John to pause and consider his professional path, understanding that the choices he made while on his foreign assignment may have unintentionally affected his position. In the face of uncertainty, John realised he had to look into other roles that would appreciate and benefit from his global experience.

### **Questions**

1. What factors contributed to John's perception that he gained significant experience during his tenure in the Japanese subsidiary of the U.S. multinational corporation?
2. In what ways did John believe that his wife encountered challenges during his foreign assignment?
3. What specific challenges did John's children confront upon returning home after their time at the International School?
4. Why did John express the sentiment that accepting the international assignment could be perceived as detrimental to his career, describing it as "career suicide"?



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**CHAPTER TWENTY**  
**CONTEMPORARY ISSUES RELATING TO COMPARATIVE MANAGEMENT**  
**AND ADMINISTRATION**

**Learning Objectives**

At the end of this chapter, students should be able to;

- i. Identify and discuss current issues in Global HR Practice.

**20.1 Introduction**

During the past decade, there has been a major change in the human resources department landscape. Human resource managers now play increasingly flexible roles as strategic partners in corporate development due to changing job markets, more regulations, and intricate compliance requirements. To fully utilise this important organisational resource, business owners must understand the contemporary problems facing HR managers (Doe, 2020). Examining the present problems in global HR practice and illuminating the modern difficulties faced by HR managers in the current corporate climate are the objectives of this chapter.

**20.1.1 Review of Current Issues in Global HR Practice in the Context of Contemporary Business Environment**

**The Big Economy**

An increasing number of highly qualified professionals are choosing to move from standard employment arrangements to freelance work in their areas of specialisation. Because of the lower overhead of contract work, this change not only gives them the needed flexibility in their lives but also makes them an appealing offer to prospective clients (Garcia, 2022). Talented individuals can benefit from this arrangement, but HR managers will find it difficult to adjust to this new work style. Human resource managers need to think of ways to create long-term contracts or develop other talent pools when the best candidates aren't easily available for internal positions (Smith & Johnson, 2019).

## **Innovation and Automation**

Employee development and training is frequently the duty of human resources departments. As a result, when a business implements technology improvements, the HR division needs to be ready to support staff development. To produce programming that is easily deployable, this may require working with technology developers ((Smith & Johnson, 2019). Alternatively, the internal implementation and management of training programmes related to these technical breakthroughs may fall under the purview of the human resources department.

### **20.1.2 Evolving Regulatory Challenges in Human Resources Management the Landscape of Regulatory Compliance**

Keeping regulatory requirements in compliance is still a primary duty of human resources managers. Although this duty has persisted over time, HR professionals must maintain ongoing watchfulness due to the dynamic nature of regulatory challenges. The regulatory compliance landscape is always changing; the healthcare benefits regulations are only one example of how this is the case. Updated disclosures, employee training, and acknowledgements are also required by privacy legislation (Smith, 2020). Human resources managers must be up to date on any new rules and regulations since failing to do so puts the business at risk of legal action, fines, and possible public criticism.

### **Strategic Talent Acquisition and Retention**

Attracting and keeping great talent is quite difficult, especially for small organisations that can't afford to offer generous benefits and salaries. Managers of human resources are always looking for ways to find and keep talented, dedicated workers for the company (Lee, 2018). Beyond traditional methods such as attending job fairs and reaching out on LinkedIn, HR managers need to have a thorough plan that includes both internal and external talent sources. It becomes essential to establish and maintain relationships both internally and outside the company. To foster long-term growth and advancement inside the organisation, internal talent identification and development are just as important as external recruitment ((Smith, 2020).

### **20.1.3 Diversity and Harmony Issues**

#### **Recognising the Values of Diversity**

Business executives understand that strong teams, creative ideas, and increased customer satisfaction all depend on a diverse staff working together amicably. On the other hand, discord

among a heterogeneous workforce can result in low morale and lost production. If workers or clients face harassment of any kind, diversity not only affects workplace culture and productivity but also carries a large legal risk (Cascio, 2013).

### **Compliance and Proactive Management**

HR managers are essential in resolving issues related to harmony and diversity because they understand the rules about diversity and have strong complaint procedures in place. Businesses must take a proactive approach to handling diversity-related issues and establish a setting that values harmony and variety. Implementing workshops and training programmes aimed at fostering team cohesion, fostering an understanding of diversity, and maintaining a positive work environment are necessary to achieve this (Budhwar, Schuler & Sparrow, 2009). Human resource managers may help create a work environment that not only complies with legal requirements but also fosters the benefits of a varied and harmonious staff by taking proactive steps.

### **20.1.4 Global Human Resource Management**

Global Human Resource Management (HRM) refers to the systematic implementation of a business's policies and practises, customised to its workforce across various national and cultural barriers. Global HR strategies are essential for companies of all sizes that interact with customers in various locations or hire people from a variety of cultural and ethnic backgrounds because of the increasing use of the Internet, accessibility to international shipping, and instantaneous communication capabilities (Collings & Mellahi, 2009).

### **Recruiting and Retaining Talent**

These days, a lot of businesses understand the advantages of bringing in workers with a variety of backgrounds to help them connect with customers across markets and bring new ideas and ideals to the workplace. Businesses must expand their recruitment efforts by advertising in a variety of channels and exhibiting a commitment to attracting multicultural talent if they want to draw in well-educated, culturally diverse workers. Retention techniques, which centre on creating an environment at work that attracts and keeps varied people, become as important.

### **Work-Life Balance**

Global HR highlights how crucial it is to support staff members in striking a healthy work-life balance. Beyond equitable benefits and pay, progressive practices like offering same-sex

partners healthcare coverage and extending vacation time for exceptional performance help to achieve a work-life balance (Dowling et al., 2013). These methods, which are popular in Europe and the global economy and where labour laws strongly support equal rights, flexible work schedules, and long holidays, improve employee happiness.

### **Training and Professional Development**

Providing professional development and specialised training is an essential HR function, particularly in the context of international companies. Putting money into staff development pays off since more knowledgeable and skilled workers do a better job completing tasks. Customised training initiatives cater to worker requirements; companies with a sizable Chinese customer base, for instance, may provide courses in Asian cultural competency. Providing opportunities for off-site networking, foreign conferences, and social media webinars to recognise top performers helps expand the company's global reach.

### **Motivated Workforce**

Long-term corporate performance is critically dependent on the motivation of the workforce. Motivated workers are more likely to make a beneficial impact on productivity and the company's financial performance (Falola et al., 2022). HR features like performance reviews let managers or business owners analyse how well their employees are performing, make suggestions for improvements, and recognise exceptional work with higher pay or work-life advantages. This all-encompassing strategy for HRM guarantees conformity to the international business environment and fosters long-term success (Green & Black, 2022).

#### **20.1.5 HR Development Issues**

The responsibilities of the human resources (HR) department go beyond handling employment, benefits, payroll, and training. Instead, it calls for management and HR to work together to meet the needs of employees and position them as strategic assets. HR development problems arise in a variety of organisations and require business owners' attention and resolution. Fostering a dynamic and successful HR framework requires addressing these issues (Jones, 2021).

The HR department plays a crucial role in meeting a variety of organisational requirements that go beyond customary responsibilities such as payroll, benefits administration, hiring, and training. In close coordination with management, HR plays a critical role in transforming

workers into strategic assets. A variety of HR development challenges continue to arise in a variety of organisations, requiring business leaders to consider strengthening an HR framework that is both dynamic and successful (Scullion & Collings, 2011).

Making sure that workers have opportunities for ongoing learning and development so they may improve their abilities to match changing job needs and technology improvements is a big challenge. Another important component is succession planning, which calls for identifying and preparing the organisation's future leaders to reduce the risks related to talent shortages and leadership changes.

Within the field of performance management, establishing equitable and efficient procedures for performance evaluation is a recurring difficulty. This means articulating expectations, giving constructive criticism, and coordinating personal aims with those of the company. Another difficulty is addressing workforce diversity and inclusion, which calls for the development of an environment that is welcoming to all individuals, encourages creativity, and advances a healthy company culture.

In the field of employee engagement, maintaining high levels of motivation and dedication presents a constant challenge. This challenge plays a critical role in increasing output, decreasing attrition, and fostering a happy work environment. Keeping up with technological advancements is a complex task that requires integrating new technology and making sure staff members are prepared to increase productivity, maintain competitiveness, and deal with the impact of automation on job positions.

Managing HR regulations across national and cultural borders presents new problems for global human resource management. This entails keeping an eye on the big picture, hiring a diverse workforce, and guaranteeing compliance. Encompassing the difficulty of striking a balance between work and life integration, regulations that promote a good work-life balance are essential. These kinds of rules play a major role in raising general well-being, decreasing burnout, and increasing employee satisfaction (Ibidunni et al., 2016).

Another major difficulty is motivating and retaining personnel, which calls for the adoption of techniques to minimise turnover costs, keep top performers on board, and maintain a knowledgeable and driven workforce. One of the challenges in change management is effectively managing and communicating organisational changes. This involves minimising

resistance, guaranteeing a smooth transition, and coordinating people with strategic developments.

Organisations can optimise their staff, foster a positive workplace culture, and adjust resiliency to the changing business landscape by taking proactive measures to address these HR development concerns.

### **20.1.6 Impact of Globalization Issues**

Global corporate organisations face similar issues as the academic subject of human resources development develops further. The evolution of HR is closely related to the workings of the global economy today. Businesses and organisations must agree on what constitutes "work" to navigate this globalised workforce. This is especially important now because employees are working for foreign companies, which means that successful cross-cultural communication is essential for employment.

#### **Learning Environment**

Even while smaller companies might not often hire specialised HR professionals, doing so is crucial for bringing expertise into the organisation. HR development experts are essential in creating a vibrant learning atmosphere where staff members are always learning new skills to increase the competitiveness of the company. Given the globalised nature of today's workforce, it is strategically critical to anticipate the learning requirements of both present and future workers (Falola, Ogueyungbo, Salau & Olokundun, 2022).

#### **Innovation**

It can be difficult to recognise creative contributions from staff members in a small organisation, particularly if the organisation follows a single business plan for providing goods or services. But it is the HR team's job to guide the owner and management group in the direction of innovation (Falola, 2023). This guarantees that the improvement and efficient provision of a good or service continue to be at the forefront of goals for the organisation. To maintain a company's profitability and relevance in a market that is changing quickly, it is important to acknowledge the necessity of adaptability, even while making little changes to delivery procedures (Scullion, 2005).



### **20.1.7 Culture**

Organisational culture has a significant influence on innovation and can either encourage or inhibit creative activities at work. Rigid corporate cultures can unintentionally stifle innovation by enforcing strict working conditions that provide employees with few chances to try new things or suggest better ways of doing things. Furthermore, a culture that fosters limited viewpoints may stifle the rise of voices calling for better, alternate approaches (Okoh et al., 2021). A cultural obsession with immediate results, which frequently overrides consideration of longer-term, more comprehensive tactics, serves as an example of this. The lack of incentives for creative problem-solving further reduces staff members' motivation to make proactive improvement proposals. Taking note of this dynamic, the HR department plays a pivotal role in supporting employees' growth as creative thinkers as well as creating a culture of learning where peers exchange information. The organisation can achieve sustained innovation and adaptability in a dynamic business landscape by fostering a culture that encourages ongoing learning and creative thinking.

### **20.1.8 HR Management Issues**

Human Resource management teams are responsible for a wide variety of companies and businesses. Overseeing various functions within an organisation or corporation is mostly dependent on human resource (HR) management. HR management teams today actively participate in the strategic planning of organisations, despite formerly being restricted to administrative duties like hiring and benefits administration.

#### **Recruitment**

Developing short- and long-term recruitment plans to draw in top talent is the responsibility of HR departments. These strategies need to be adaptable enough to alter as circumstances do both internally and externally. HR departments must foresee developments such as a company's decision to extend its product range or enter new markets and make sure there is a ready pool of suitable candidates. On the other hand, HR departments need to come up with downsizing strategies that protect important firm assets during difficult times. HR management teams now have to traverse the technological terrain of the digital age and use non-traditional means of applicant attraction, such as media and online social networking groups.

## **Retention**

The modern workforce is marked by frequent job changes, in contrast to the past when people usually worked for one or two organisations throughout their careers. HR departments today need to come up with plans to hold onto top performers to counter this trend. To encourage long-term commitment, this may entail putting career trajectories and plans into action, planning team-building exercises, and providing in-depth cross-training courses (Salau et al., 2020).

## **Benefits**

HR departments face a great deal of difficulty when it comes to administering employee benefits. Choosing what benefits to provide—like health, dental, and vision insurance, paid time off, and personal leave—while staying within budgetary limits is the first step in the decision-making process. HR departments have to choose whether to handle benefits in-house or contract with outside benefit providers if they are recognised (Casacio, 2013)

### **20.1.9 Generational Differences**

The Society of Human Resource Management conducted research in 2008 that demonstrated the substantial influence of generational disparities on the labour market, especially with the emergence of Generation Y and the Baby Boomer generation's decline in dominance. As the smaller Generation X adapted well to the working habits of Baby Boomers, the bigger Generation Y brought with it unique preferences, such as a stronger emphasis on work-life balance and a desire for alternative management techniques. This change calls for an assessment of long-standing practices in HR departments. It is necessary to review pre-war dress regulations and training curricula to better accommodate the needs and preferences of younger workers. According to Collings and Mellahi (2009), HR departments should also look into unconventional office layouts, flexible work schedules, and telecommuting choices to meet the changing needs of Baby Boomers who are approaching retirement.

### **20.1.10 Current Issues in International HRM**

When foreign managers and multinational enterprises (MNEs) experienced difficulties, expatriate management was the focus of international human resource management (IHRM). However, as the area of IHRM has developed, its reach may currently be characterised by three broad methods (Dowling et al., 2013).

One method focuses on managing people from different cultural backgrounds. It explores how people behave in different cultures by looking at it from an international, or intercultural, standpoint. A second strategy is based on the literature on comparative industrial relations and HRM, and it describes, contrasts, and evaluates HRM systems in other nations. The Cranfield Project on IHRM, which was started in 1989 to offer insights into best practices and comparative performance across Europe and the world, is an example of this. The third strategy focuses on certain facets of HRM in global corporations.

Despite the methodological differences between these techniques, it is important to acknowledge the interdependence of the knowledge produced in each. To better comprehend certain IHRM concerns, it is frequently necessary to rely on insights from all three domains to address the global challenges of HRM. It is not unexpected that there is still no universal agreement on what international HRM is, given that the field has moved from its early stages of development to a more developed and established form. Following the development of definitions, Scullion (2011) recommends a wide focus on investigating HR concerns, issues, and practises that businesses pursue in reaction to their globalisation of operations. In line with the third method in the research of IHRM, there is notably a focus on comprehending how multinational corporations efficiently manage their geographically distributed workforce to utilise HR resources for both local and global competitive advantage (Scullion, 2011).

## **20.2 Conclusion**

In conclusion, human resource managers have a wide range of duties that they oversee, including those similar to staff and professionals, officers, field officers, finance and auditors, consultants, and trainers. Human resource officers and managers have difficulties since their functions within organisational environments are changing and frequently ambiguous. Without a doubt, the field of human resources management is essential to the development and maintenance of organisational structures. Human resource management is important since it helps to create good relationships with people on the inside as well as the outside. Adopting sensible human resource policies and successful techniques helps achieve this. In doing so, human resources management turns into a vital resource that supports the upkeep of strong organisational dynamics and cultivates positive connections both inside and outside the organisation.

## 20.3 Illustrative and Practice Questions

### Multiple Choice Questions (MCQ)

1. Among the contemporary challenges faced by HR professionals today, which of the following options is not included?
  - a. Issues related to the broader economy
  - b. Challenges associated with innovation and automation
  - c. Evolving regulatory considerations
  - d. Concerns regarding the role of women
2. The primary objective of HR development issues is to:
  - a. Address employees' needs
  - b. Cultivate employees as strategic assets
  - c. Fulfil a company's hiring, benefits administration, payrolls, and training requirements
  - d. Ensure compliance with regulatory standards
3. A crucial aspect of global HR is supporting employees in maintaining a favourable \_\_\_\_\_
  - a. Working setting
  - b. Work-life balance
  - c. Work environment
  - d. Work relationship
4. To comprehend current HR development issues, it is essential to recognise the influence of the:
  - a. Three-world economy
  - b. Two-world economy
  - c. One-world economy
  - d. Four-world economy
5. HR departments must formulate recruitment plans that are \_\_\_\_\_
  - a. Short-range and tactical
  - b. Strategic and tactical
  - c. Long-range and short-range
  - d. Short and long-term

## MCQ – Solutions

1. D    2. B    3. B    4. C    5. B

## Theory Questions

- i. Examine the two most important contemporary issues facing global HR practises and offer pertinent examples to help clarify.
- ii. Elaborate on the evolving regulatory issues in modern Human Resources practices, considering the contemporary landscape.
- iii. Provide an in-depth exploration of Diversity and Harmony issues within the current Human Resources context, offering insights and potential strategies.
- iv. Define the concept of work-life balance, elucidating its significance and implications in the contemporary professional environment.
- v. Explain the prevailing Human Resources Development issues in the present-day context, considering the dynamic nature of workforce development.

## **20.4 Case Study**

### **Mobile Handsets Manufacturing Company**

A well-known South Korean manufacturer of mobile phones carefully partnered with an Indian state government that was actively seeking foreign investment to further its global expansion. To create a prestigious production unit, the corporation obtained favourable conditions, such as guarantees of cooperation and a continuous supply of power. The corporation implemented a recruitment strategy that involved hiring people on a contractual basis from the local community to address feelings and concerns around the acquisition of agricultural properties. This strategy sought to placate the populace, especially those who were hesitant to surrender their properties for commercial development. By investing in local labour, the corporation was able to reduce initial dissatisfaction by offering uniforms, daily lunches, transportation via pick-up and drop-off cabs, and other benefits. Over three years, this approach proved effective in preserving good connections between the business and the neighbourhood. However, after three years, a problem arose when the contract employees started pushing for the regularisation of their employment status since they had developed expertise and abilities. Given the financial ramifications of permanent employment, especially for a multinational organisation, this development caused the company great concern. The corporation approached the government for aid in response to the escalating problem. The state now had a new Chief Minister with different policies, which made things even more complicated and made it harder for the business to negotiate the changing employment market. In the context of multinational corporate operations, the case highlights the complex dynamics involved in managing staff relationships and adjusting to changing governmental legislation.

### **Questions**

1. In your professional assessment, what is your perspective on the Human Resources implications of this case?
2. From your analysis, which party's position in this scenario do you believe is justified?
3. Considering the current situation, what strategic actions or solutions would you recommend be undertaken at this juncture?

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### **Recommendations for Further Reading**

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