

SESSION 8 GLOBAL MANAGEMENT

HUMAN FACTOR II

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INTRODUCTION

Human resource management (HRM) is universal in terms of strategies, policies and processes. The term has gradually replaced personnel management. Managing and

developing human resources in the international (global) setting is increasingly recognized as a central challenge, particularly to multinational enterprises (MNEs). Human resource management is both academic theory and a business practice that addresses the theoretical and practice techniques of managing a workforce. While the theoretical aspects of the discipline may also be universal, the same cannot be said of its Practice.

A global manager is characterized by the nature of the work he or she does, typically within an organization with global operations. He or she has the capability to manage amid the complexity of business that is conducted across divergent cultures and time zones. A global manager can also be an expatriate, living and working abroad, but this is not always the case.

Global managers can more specifically be seen in terms of three prototypical roles in a global organization. These are:

- 1) the global business or product-division managers who are tasked with global strategic positioning and asset coordination across the organization

- 2) the country managers who bridge between the local market operations and global business objectives of the organization

- 3) the worldwide functional managers who help leverage knowledge and innovations across the key functional departments throughout the organization.

These three archetypes show that the knowledge and experience to carry out global work can be fostered and expressed through an integrated network of specialised global talent.

In this way, we see that global experience is not tethered exclusively to the event of expatriation but can be done by managers (whether at home or abroad) through their globally-focused activities and responsibilities.

Example

Global managers possess a certain perspective among the workforce, which uniquely focuses them to operate in a globalized environment of diverse markets and cultures. They need to manage information and resources from all parts of the world at once, not only individual countries or regions, and integrate this for the development and diffusion of innovation on a global scale. Today's global managers may be developed within traditional corporate career paths. However, we are increasingly seeing employees starting out as global managers as well. This is often the case with firms that are 'born global', such as companies whose local markets are too small and so must operate immediately in a global context. [1]

The paper defines human resource management, the theoretical basis of the discipline, business practice and global or international human resource management. Thereafter, the paper concentrates on global perspective or issues in international human resource management practice.

HUMAN RESOURCE MANAGEMENT

Human resource management is the

strategic

and

coherent

approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of the objectives of the business. The terms "human resource

management”

(HRM) and “human resources” (HR) have largely replaced the term “personnel management” as a description of the processes involved in managing people in organizations. Human resource management can also be defined as the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. As a change agent,

it is concerned with the nature of and regulation of the employment relationship at the level of the workplace and broader society. The human resource management model emphasizes.

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The need to search for new ways of working

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The central role of managing in promoting change

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The treatment of workers as individuals rather than part of a collective workforce

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The encouragement of workers to consider management as ‘partners’ rather than as opponents – ‘us and us’, rather than ‘us and them’.

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THEORY

The theoretical discipline is based primarily on the assumption that employees are individuals with varying goals and needs, and as such should not be thought of as basic business resources, such as trucks and filing cabinets. It takes a positive view of

workers, assuming that virtually all wish to contribute to the enterprise productively and that the main obstacles to their endeavors are lack of knowledge, insufficient training, and failure

of process. It is an innovative view of the workplace management, which, asserts that human techniques when properly practiced, are expressive of the goals and operating practices of the enterprise overall. As an academic theory, the goal of human resource management is to help an organization to meet strategic goals by attracting, and maintaining employees and also to manage them effectively. The key word here is "fit", that is, human resource management approach seeks to ensure a fit between the management of an organization's employees, and the overall strategic direction of the company. The basic premise of the academic theory of human resource management is that humans are not machines; therefore, we need to have an interdisciplinary examination of people in the workplace. That is why fields such as psychology, industrial engineering, industrial and organizational psychology, industrial relations, sociology etc play a major role.

PRACTICE

Human resource management (HRM) as a business practice comprises several processes, which used together are supposed to achieve the theoretical goals mentioned above. These practical processes include:

different weights between countries and are carried out differently. In addition, the cultural differences mentioned above have produced the slogan in international human

resource management “Think GLOBALLY and actLOCALLY”. This means that an international balancing act is required, which leads to the fundamental assumption made by Bartlett and Ghoshal that: ‘balancing the needs of co-ordination, control and autonomy and maintaining the appropriate balance are critical to the success of the multinational company’. To achieve this balancing act, there are six capabilities that enable firms to integrate and concentrate international activities and also separate and adopt local activities:

- Being able to determine core activities and non-core activities;
- Achieving consistency while allowing flexibility;
- Building global brand equity while honoring local customs and laws;
- Obtaining leverage (bigger is better) while achieving focus (smaller is better);
- Sharing learning and creating new knowledge;
- Engendering a global perspective while ensuring local accountability