

Prospects and Challenges of Human Resource Management in the Era of Globalisation

Ms. Sonal Admane, Ms. Amruta Buit

(Asst. Professor, L.A.D. & Smt. R.P. College for women, Nagpur)

(Asst. Professor, L.A.D. & Smt. R.P. College for women, Nagpur)

Abstract

Globalisation is a continuous process of social, political, technological, economical and cultural integration of different economies of the world. With advancements in information technology (IT) globalisation has distorted the international boundaries. Since it has spread up to an unrivalled pace; it is apparently present everywhere and in every aspect. Hence human resource management is also not an exception to it. Globalisation not only enables human resource management to find a right person for right task from a vast ocean but it also brings change in human resource activities, functions, organisational strategies, structure and approaches. It gives organisation a wide area to hunt and employ talent and providing at the same time, vast opportunities to various talents to search and opt for different organisations. The human resource management strives to deploy quality personnel in order to satisfy consumers both at national and international levels. In today's competitive scenario, searching right personnel, effective utilization of human resources and their retention has become a difficult task. This is because of emergence of global business environment characterized by global competition, liberalization and open-end opportunities to all. Therefore, the role of HR manager is transforming from conventional to international orientation. This paper focuses on highlighting the future trends and challenges of human resource management.

Key Words: Globalisation, Human Resource Management, Global competitiveness

I. Introduction

Globalisation has become one of the most important concepts and can be seen as a phenomenon of economic, technological, socio-economic, cultural and political transformation at local to international scale. Increased trade, foreign direct investment, capital flows, migration, infrastructure, spread of information communication and technology (ICT) etc has led to emergence of globalisation. It has brought in a new pace of growth and is inevitable. In business world, it has affected the overall operations of many organisations worldwide. It has led to the modification and restructuring of businesses which adopted it. Human resource management function is one of the prominent functions as it is not just limited to manage and optimally exploit human intellect but it also focuses on managing physical and emotional capital of employees. It's about developing and managing harmonious relationships at workplace and striking a balance between organisational goals and individual goals. Hence, organisations rely on effective talent management by HR managers for its long-term success. The roles & obligations of HR departments are changing in the modern business due to globalisation. HR department tasks have become more complex as organisations redefine the business as operating in the global economy. The reason being globalisation is a double edged phenomenon. It has got prospects as well as challenges. Hence, HR managers need to be mindful, updated and globally competent. Human resource management needs to take advantage of technology and data analytics to build a global human resource information system that collects and make use of data from various sources. To cope with the international intensity of competition brought about by globalisation, a knowledge-based economy has emerged. This knowledge-based economy utilises the skills of the workforce to the full, so creating a new way of thinking about human resource management. Globalisation has enabled HRM to specialize in areas like research and development, innovation, adoption of web based systems, redefining of roles, increasing global competence, widening of talent sources, etc.

II. Literature Review

- ❖ Ahmad Seyed-Mahmoud (2003) found that due to globalisation the even though there is a need to be reshape workplace HR needs to be more than a simply expert on personnel issues. HR executive must also need to be an informed and skilled business person since HR professional must play a key role in helping their organisation remain competitive in the marketplace.
- ❖ Rabi N. Misra: "Human Resource Management after Globalization" (2009): Concluded that after globalization, business organizations have realized that the need of the hour is to have skilled, well-trained

and highly motivated staff to help with the growth of the organization. Each business organization invests time and money for the welfare and benefit of the employees, because they see merit in such activities. In present business scenario HRM has looked as a safety cap, which would involve smoothening of relations between management and workers.

- ❖ Roopesh Kumar Misra and Rabi N. Misra: In their paper titled “HRM Practices after Globalization” As governments and corporate bodies brace up for the new millennium characterized by an ever increasing global challenge, developing countries have no choice but to develop and continuously upgrade the human resource and business competencies of their workforce.
- ❖ B.V.S. Prasad – “Indian Pharmaceutical Going Global” In order to tap these opportunities, Indian companies are going global through exports, Joint ventures, Mergers and Acquisitions and Greenfield Investments. Indian Companies are also engaging in Contract Research and Manufacturing Services. On the other hand, Indian companies are also out licensing their products to global pharmaceutical firms.

III. Objectives

- ❖ To gain an overview of globalisation.
- ❖ To evaluate the future prospects and major challenges of HRM in globalised world.
- ❖ To make analyze and provide concluding remarks.

IV. Research Methodology

The study is based on secondary data which has been collected through various sources of information such as articles, journals, websites etc.

V. Limitations

As the study is based on secondary data it may have some deficiencies.

Future prospects of human resource management in global time:

Globalisation will lead to entry of human resource management in a new millennium with below prospects:

- ❖ Transformation of leadership: Traditional leadership follows a formal hierarchy with clearly defined accountability. In globalised environment where sources of work are plentiful leadership will require agile thinking, digital skills, global operating skills and communication skills.
- ❖ Enhanced transparency in rewards: Pay for performance was based on merit increase, incentive pay on company’s performance and individual bonus on performance level. Even discussing pay and benefits openly with each other was considered as taboo. But the changing business models and nature of work due to globalisation will eliminate the concept of guaranteed jobs among talents. Careers will be redefined and pay will get customized.
- ❖ Change in attitude of personnel: Generally, organisations with high financial ratio attract personnel easily. But globalisation will change the attitude of most of the talents. They will consider ethics and vision of organisations to work with. Employers will be required to give first preference to staff and second to customers. Talent and ideas will become key factors rather than capital.
- ❖ Replacement of middle level of management: Work will revolve around portfolios of diversified roles performed in teams that dynamically resize and reform. High- performing teams will eliminate the function of middle management.
- ❖ Updated talents: New skills quickly become old skills. Globalisation will require employees to constantly up skill and find new, creative ways of thinking and problem solving. Failing to this will leave the personnel behind the race.
- ❖ Work will becomes about passion and purpose, not money: Globalisation will give a broad and big choices to talented personnel. So they will opt opportunities where their passion and purpose will be achieved. Money will act as secondary choice provider.
- ❖ Remote Work: Global opportunities clubbed with digital facilities will gain acceptance of remote work. Many companies offer flexible work from home days as a benefit. And some run an entirely remote team.
- ❖ Workforce Diversity: Diversity in workforce in terms of gender, age, social class, values, ethnicity, religion, education, language, lifestyles, beliefs etc. have to be considered unavoidably while framing HR functions such as planning, sourcing, reward, employee involvement and communication .

Future challenges of HRM on the path of globalisation:

The increasing use of internet based technologies and cut throat competition has put a significant pressure of performing and sustaining in global uncertain environment on organisations operating at global level. Some of the future challenges can be listed as below:

- ❖ **Talent management and retention:** The HR team will show extra ordinary expertise to manage diversified talents. As talent and leadership both are becoming scant resources than earlier organizational environment. Huge investments and time will be required to retain talent.
- ❖ **Compensation package:** Most of the companies are facing challenges in designing the different compensation packages and benefits for different country employees. Different individual needs different advantages and rewards. Because every individual will not concern only with the money, many of them will like to be with the organization for the profile, working environment and respect & recognition they get from their colleague.
- ❖ **Global change:** Another key challenge for future is anticipating Change. Change is more uncertain and unpredictable in global environment. It includes managing demographics, managing change and cultural transformation, and managing globalization. Organisations will be less linear and more complex.
- ❖ **Global corporate and social Responsibility:** Different countries have different regulative frameworks for corporate and social responsibilities. There will be issues where there will seem to be a common understanding of what is desired by the global community and global corporate law and mandatory. As the HRM will gain more geographical area these two responsibilities will become a difficult task to be completed.
- ❖ **Technological challenges:** Human resource professionals have to devote a considerable time and effort to learn new technological platforms when the organisation plan to work with latest software or a new computer system to manage HR functions globally. The new technologies are knowledge and skill intensive, and there is a need to train people to work with those technologies. But the training cannot be too narrow, for adaptability to change is another key to success in the modern world.

VI. Conclusion

Globalisation demands enormous adjustments to cope up with it. HRM function no longer is just a support function but it has to be a strategic partner of the organisation.

- ❖ The HR teams must think of the strategic manager, and leader of the team should be visionary in order to bring the change in the organisation.
- ❖ It can be recommended that with having excellent communication skills and effective leadership skills the HR team can face the global challenges.
- ❖ Learning and practicing to manage and control cross-cultural differences will assist managers to possess a global outlook.
- ❖ The Human Resource team must have technological updates and global networking abilities to cope up with the change.
- ❖ The new practices must be based on innovations and creativeness which would override the challenges prevailing in the field of HR.
- ❖ Providing a learning environment and new opportunities within the organization might support to retain contributing employees

References

- [1]. "Challenges for human resource management and global business strategy." (2015, June). Economist Intelligence Unit Limited.
- [2]. Kaur (2014, February) Key challenges and trends faced by human resource managers. International Journal of Management. 5(2), 36-41.
- [3]. Biswanath Dutta (2015) "Strategic human capital management for a new University: a case study of Rajabhat University." Journal of Knowledge Management 19(1): 108-120
- [4]. Dowling P. Festing and Engle, (2008) "International Human Resource Management." United Kingdom: South-Western Cengage Learning.
- [5]. Gupta and Rao (2016) " Impact of Globalisation and Technology on Human Capital: A Review of Literature." Vishwakarma Business Review, 6(1), 52-59.
- [6]. Friedman (2007) "Globalisation: Implications for Human Resource Management Roles, Employee Responsibilities & Rights Journal, 19(3), 157-171
- [7]. Singh & Dhawan S. (2013) " Challenges Faced by H R Managers in the Contemporary Business Atmosphere." International Journal of Management & Business Studies, 3(2), 90-92.
- [8]. Tierney & Findlay (2010) " Globalisation And Tertiary Education In The Asia-pacific: The Changing Nature Of A Dynamic Market." World Scientific.
- [9]. Wilkie (2015, June 30) " Globalisation Presents Complex Challenges for HR Managers.' Society for Human Resource
Websites
- [10]. <https://smallbusiness.chron.com>
- [11]. spiritofhr.wordpress.com
- [12]. www.jimsjournal.org

- [13]. <https://www.businessmanagementideas.com>
- [14]. <https://www.peoplehr.com>
- [15]. www.macrothink.org