Article

Globalisation and Human Resource Management – Challenges and Strategies	

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INTRODUCTION:

Globalization is an ongoing process. It allows and promotes the development of economy of developed countries as well as developing countries that are seeking their place in the global market. The professional and competent human resources are needed and therefore it is necessary to invest in new knowledge, innovation, new technologies and lifelong learning. In this environment, management sets its strategic goals through which it will be able to carry out the plans for the sale of products or services. Nowadays, a manager has to have interdisciplinary skills and lifelong education because only in this way it is possible to respond to the constant and rapid changes in the world. Industrialization, modernization, and postmodernism were or are still slogans such as globalization is today. It is not possible to exclude that the use of this concept in the social sciences is also subject to fashion trends. Industrialization was the first term which social sciences used to describe the great transformation of society during which industrial production has become the main form of production. This change was so profound that the term industrial revolution was used not only to describe the transition from manufacture to industrial production but also to describe the broader structural change.

The concept of modernization is used to describe a wider range of change in which society becomes more complex, urbanized and differentiated, and the production and social organization are increasingly based on science. In social sciences, the concept of modernization is particularly used to describe the process by which the "third world countries" develop; countries that have lagged behind in the process of change, industrialization and modernization. The fact that since the beginning of industrialization undeveloped countries gradually modernize and industrialize shows that industrialization and modernization was a global process from the start.

The concept of globalization is quite important for the post-industrial society which transformed into a new stage of development after industrialization and modernization. This new phase is characterized by significant changes in the structure of production, namely the transition from the industrial development to the tertiary sector (services sector). The tendency of

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globalization was inherent (present) in the processes of industrialization and modernization. Conceptually, industrialization and modernization cannot be equated with the notion of globalization. The industrialization and modernization can be developed in an isolated social system, such as a nation-state or any part of the world.

Globalization, on the other hand, is a process of industrialization and modernization, which is expanding globally and has an integrating function. Therefore, it is necessary to should draw attention to higher education and new technologies because only in this way will its economy be competitive and able to engage in the process of globalization.   Management plays a key role in the globalization process because their decisions contribute to the creation of a global image because consumer habits transcend national boundaries. An attempt has been made to analyse the role of globalisation in the Human Resource Management (HRM) and its challenges and strategies for strengthening the HRM practices under global economy.

NEED OF GLOBALISATION IN HUMAN RESOURCE MANAGEMENT:
The following factors are the need of globalisation in Human Resource Management:

Shortage of Talent in Developed Countries

Despite the current economic downturn and unemployment, most developed countries, including the United States, Germany and Japan will face long term talent shortages mainly due to ageing and the retirement of baby boomers. There are more workers retiring than entering the labor force in these countries. By 2020, for every five retiring workers, only four new workers will join the labor force in most developed countries. According to one estimate the United States will need to add 26 million workers to its talent pool by 2030 to sustain the average economic growth of the two past decades (1988-2008) unless a technological breakthrough replaces manpower, while Western Europe will need to add 46 million employees (World Economic Forum, 2010).

The shortage of workers is predicted across most industries, including manufacturing, construction, transport and communications, trade, hotel and restaurants, financial services, IT and business services, health care, public administration, and education.

Availability of Low Cost Labor from Emerging Countries

The opportunity has never been greater for multinationals to attract top talent from emerging countries, such as Brazil, Russia, India and China, or to outsource work to these countries. Global population growth differs greatly between developed and developing countries. In the developed countries, USA, EU, and Japan, the current annual rate of growth is less than 0.3 per cent, while in the rest of the world the population is increasing almost six times as fast. According to McKinsey Global Institute, there are approximately 33 million potential professionals in emerging markets and they are growing very quickly. The stock of suitable,

young professional talent in emerging markets is growing at 5.5 per cent annually, while the number in developed countries is growing at just 1 per cent annually. The total number of university-educated workers in low-wage countries far exceeds the number for higher wage countries.

Currently, India produces as many young engineers as the United States, and China produces more than twice as many. Russia produces 10 times as many finance and accounting professionals as Germany. According to the International Organization for Migration, there were an estimated 214 million international migrants in the world in 2010, and fifty-seven per cent of all migrants live in high-income countries (World Migration Report, 2010). The number of migrants is likely to grow exponentially in the coming years. Furthermore, the migration of workers and outsourcing of work would not be limited to unidirectional flow from emerging countries to developed countries.

Technological Progress:

Globalization is made possible by the development of cost effective, yet very powerful technologies, including the Intra- and internet, enterprise resource planning system, data warehouse, data mart, and data analytics. Friedman defined globalization a whole set of technologies and political events converging— including the fall of the Berlin Wall, the rise of the Internet, the diffusion of the windows operating system, the creation of a global fiber-optic network, and the creation of interoperable software applications, which made it very easy for people all over the world to work together— that leveled the playing field. It created a global platform that allowed more people to plug and play, collaborate and compete, share knowledge and share work, on a scale never seen before. Could computing and new advances in remote access and support technologies also seem to fuel globalization. Many service jobs, such as call centers, animation, transcription, and software development can be carried out remotely.

CHALLENGES OF GLOBALISATION:

i.) Growing Needs of Talented Individuals:

The pool of talented individuals has been growing and is expected to continue to grow in the near future, mainly because of increased educational opportunities in emerging nations. In addition, the demand for such talent is likely to grow even faster in the same period. Based on data from 22 countries and 12 industries, a World Economic Forum study predicted that vast talent gaps between the supply and demand of highly skilled workers would appear by 2020 (World Economic Forum, 2011). The demand for talented people is growing not only from developed countries, but from the developing countries themselves as they pursue their own nation building.

ii.) Relocation and suitability of Graduates:

Human resource professionals at multinational companies in emerging markets such as China, Hungary, India, and Malaysia have reported in a recent survey that candidates for engineering and general-management positions exhibit wide variations in suitability. According to the McKinsey Global Institute, only 13 to 19 per cent of 33 million university graduates in developing countries are suitable to work in a multinational company, due to their lack of language skills, low quality of educational system, and lack of cultural fit. Also, only a fraction of these people are willing or able to relocate to foreign countries for employment.

iii.) Integrate Diverse value systems:

It also remains the biggest challenge for global organizations' human resource departments to manage a workforce diverse in culture and language skills, and distributed in various countries. It is critical that the businesses not only familiarize with local ways of doing business, and understand the needs of local consumers, but also develop a global mindset among their employees. Being at the center of globalization, multinational organizations need to learn to integrate diverse value systems and espouse shared global work values to create an environment, where workers are able to communicate and coordinate their activities to reach common goals. Human resources must play new roles and responsibilities in leading the organization in uncharted waters of globalization.

STRATEGIES UNDER GLOBALISATION IN HUMAN RESOURCE MANAGEMENT:

Strategic Business Partner and Change Agent

Strategic business partner and Change agent functions are about leading and helping in formulating the organization's overall business strategy and to align human resource activities and initiatives with the organization's overall business strategy. Talent planning should be inextricably linked with strategic planning and, as such, regularly addressed by human resource executives. Companies need to develop leaders capable of generating growth and effectively managing a multicultural workforce. The human resource professional is skilled in acquiring business insight in order to predict changes, and make informed decisions at operational and strategic levels.

Partner with Frontline and Middle Managers

One of the characteristic features of human resource literature is the pivotal role that has been given to frontline managers as a delivery point for a variety of employment

policies that are intended to raise the performance of the workforce. The human resource role is to partner with frontline and middle managers to effectively acquire, develop and retain human capital for all business units in the company. Modern technology has made it possible to for human resource personnel and line managers to have virtual, without face-to-face, meetings and communications.

Employee Advocate and Champion of Globalization

As an employee sponsor or advocate, the human resource manager plays a pivotal role in organizational success via his knowledge about and advocacy of people. This advocacy includes expertise in how to create a work environment in which people will choose to be motivated, contributing, and happy. When employees are motivated they want to do their best work – not out of obligation but because their job matters to them, both professionally and personally. On the other hand, discipline comprises systems, policies, and practices that raise accountability. When motivation and discipline unite, employees are excited about, accountable for, and rewarded for their work. Workplace flexibility is expected to be on the rise in the future workplaces and thus, most of the interaction between human resource personnel and line managers or workers will be Virtual, without face-to-face, meetings.

The Data Warehousing System

A data warehouse is a decision support database that is maintained separately from the organization's operational databases. Operational databases contain data pertaining to each transaction while data warehouses contain summary data such as totals, counts, maximums and minimums. The data stored in a data warehouse is optimized for querying and data analysis. Data warehousing systems deals with design, implementation, and operations of a data warehouse including data extraction, data cleansing, data transformation, and loading of data from different sources. The system also includes meta-data management, security management, backup and restore, and disaster recovery. Information Technology professionals are responsible overall for designing a data warehouse system that is optimal in storage and performance, while the human resource department is responsible for ensuring that each user in their group has the information in enough detail to do his or her job. Performance and usefulness oppose one another; thus, Information Technology and Human Resources departments need to find an optimal overall solution that is best in the long run for the organization as a whole.

The Business Analytics System

Global Human Resource Information systems are generally very rich in business analytics applications, including Online Analytical Processing (OLAP), data mining, and

advanced analytics applications based on statistics, forecasting and predictive analytic. OLAP applications can retrieve summary statistics (metrics), such as totals, averages, percentages, standard deviations, maximum, minimum of data measurements (facts) from multiple dimensional views. These applications are capable of performing several data retrieval operations, including Drill down, Roll up, and Slice and dice and allow users to view metrics based on different detail levels. By contrast, predictive analytics includes statistical, mathematical, and data mining analyst-guided (not automatic) techniques that do the exploration and analysis of large quantities of data in order to make decisions by forecasting the outcomes. Whereas OLAP and data mining focuses on past performance, predictive analytics forecasts behavior and results in order to guide specific decisions. If OLAP and data mining can elucidate what has happened and why, predictive analytics can advise on the appropriate response action.

The Information Delivery System

The information delivery system gives business users the ability to access reports and continuously monitor performance of a project or entire organization at enterprise and lower levels. End users are also able to monitor key activities such as trends, metrics, and Key Performance Indexes (KPI) in easy-to-understand designs, such as configurable information portals, scorecards and dashboards. Depending on an individual's role and responsibility, he or she is presented with the trends, metrics, and KPI at appropriate aggregate levels. Some users can get to the lowest detail that exists in the warehouse.

CONCLUSION:

Nowadays it is extremely important to take care of the business environment in the global market, along with potential development within the company. Globalization is part of the present and the management should focus on it despite its flaws and shortcomings. Adapting to the new conditions is necessary if one wishes to successfully operate and develop the company's products and services in the global market.

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