



HUMAN RESOURCE MANAGEMENT PERSPECTIVES TOWARDS GLOBAL WORKPLACE – CHANGING TRENDS AND CHALLENGES

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Abstract:

Globalisation has led to different and varied outcomes in the modern days business by fierce competition, rapid change, emerging market trends and adoption of new technologies. A global workplace is a borderless workplace, which facilitate facing new challenges and compete in changing work culture. Today's buzz words are 'Manage change or perish'. The demographics and size of the workplace are changing considerably since 21st century. Hence the organizations are trying to cope with the changes to survive and sustain in the global competitive corporate world. Since the demanding market is dictating terms to the firms, every organisation is expected to deliver excellent results in terms of cost, service, technology, speed, etc. Innovation and technology seek skilled and qualified human resources to compensate the dearth in supply of man power. Companies which localize its HR strategies, acquire and retain global talents are at a competitive edge. Reskilling, cross cultural training, repatriation and empowering are the most viable option. Firms are more flexible in terms of working hours and location. They follow open culture and prefer to be learning organisations. This paper will analyze factors affecting changing global workplace, needs of global workers, management of workforce diversity and emerging trends to create global workplace.

Index Terms: Globalisation, Changes, Competition, Training & Emerging Trends

1. Introduction:

According to Thomas L. Friedman (2005) Globalisation is the interweaving of markets, technology, information systems, and telecommunication networks which shrink the world from medium to small size. Globalisation began after 1990's, and accelerated over the past 15 years. The information technology densely interconnected global companies creating a vast change in the workplace due to borderless organisation boundaries to encourage diversified workforce. This integration led to reduction of costs, lower trade barriers, instantly communication of ideas, raising capital flows and intensifying pressure of migration. Even though building an effective global workplace is challenging and it is very essential for the competitive global business. The advancement of information technology demands outsourcing, moonlighting, business consultation, collaboration, cross cultural training, changes in HR policies and dynamic organisational culture from the HR professionals of corporate world. In global workplace executives are facing high labour cost and dearth of skilled employees. There is a gap between the skill requirement by the global corporates and the skills available in the labour market, as skilled human resources are scarce and difficult to retain. The changing needs of the workforce are rapidly changing because of the shift in generation of age. The millennial generation is more tech friendly and career oriented.

1.1 Business Globalisation:

Stages of Internationalization:

Company seeks to take advantage by expanding their operations into foreign markets in four stages, i.e:

- **International Company:** International companies export the products manufactured in the home country.
- **Multinational Company:** Multinational Company establishes its branches/ subsidiaries in various countries and operates like a domestic company in each foreign country.
- **Global Company:** Global Company produces globally and markets locally or produces locally and markets globally. Dr. Reddy's Lab designs and produces drugs in India and markets globally.
- **Transnational Company:** Transnational Company produces, markets, invests and operates across the world. It is a company which seeks to acquire resources around the world and integrate its operations with global markets at profit and reduced costs.

1.2 International Approaches towards Human Resource Management:

Global companies can approach the management of international human resources in number of ways. According to Douglas Wind and Pelmutter, there are four approaches:

- **Ethnocentric:** In the ethnocentric approach, the MNC uses the same HR practices and policies used in the home country to its subsidiaries in foreign locations. The foreign subsidiaries do not have much freedom and the strategic decisions are made only at the headquarters. The key positions are managed by personnel from the headquarters. In short the subsidiaries are managed by expatriates from the home country.
- **Polycentric:** In the polycentric approach, the subsidiaries are basically independent from Headquarters. HR policies are adapted to meet the circumstances in each foreign country. The subsidiary firms hire managers locally in the foreign country to manage HRM activities. The each subsidiary is treated as a different entity with some autonomy.
- **Regiocentric:** The Regiocentric approach represents a regional grouping of subsidiaries. HR policies are coordinated within the region to a great extent as possible. Subsidiaries may hire managers from any of the countries within the region. Coordination and communication within the region are high, but they are quite limited between the region and the headquarters. It utilizes a wider pool of managers but in a limited way. The workforce mobility may be to different countries but of the same regional group.
- **Geocentric:** In the geocentric approach, HR policies are developed to meet the requirements of the headquarter locations and foreign subsidiaries. Here the MNC's are taking a worldwide approach to their operations, recognizing that each part makes a unique contribution with its unique competence. It creates a global network between the headquarters and subsidiaries.

1.3 Nature of Global Workplace:

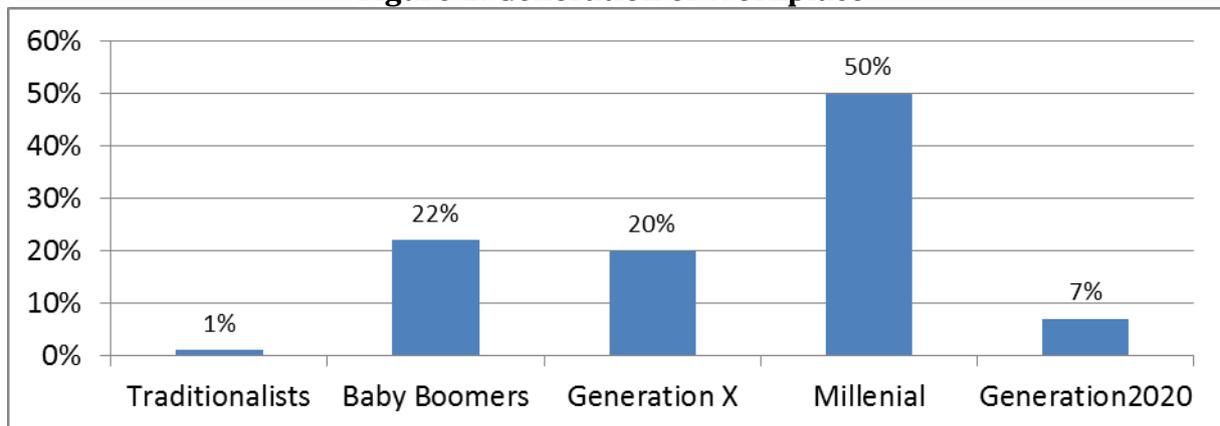
Workplace does not mean one static location but it today's word it represents virtual and remote workers connected through telecommunication networks. Workplace in the global business means any location in which the employees are virtually connected to the corporate. It could be being onsite with customers, on road, at home or office premises.

A. Change in Demographics of Workers:

- **Age:**

The generation at workplace can be divided into four groups. Traditionalists comprises those born after 1946, Baby boomer are those born after 1964, Generation X are those born after 1976 and Millennial & Generation 2020 born after 1997. It is inferred that before 2015 the Baby boomers is the largest population at workforce, Generation X were less in number due reasons like birth control measures, delayed child birth and at present till 2020 the millennial generation would be the major population at workplace. According to Mark Dollins, by 2020 traditionalists (01 per cent), Baby Boomers (22 per cent), Generation X (20 per cent), Millennial (50 per cent) and Generation 2020 (07 per cent). (Figure -01) the larger population generally decides the work culture. The millennial generation seeks for mentoring and coaching, are highly creative and innovative in nature and are more adoptive to the changes.

Figure 1: Generation of Workplace



- **Gender Proportion:**

Globalisation has enhanced opportunities for women. Companies are increasingly feminizing their labour force in the name of promoting gender diversity. The proportion of women employees in executive positions have also increased.

- **Education:**

The global workers are called 'gold collared employees' as they are knowledgeable, well-educated and smart workers who are readily accepting the changing global trends.

- **Mobility of Manpower:**

Migration of employees from all over the world is a common scenario as the world has become a small village due to the development of information and technology.

B. Information technology, technological advancement and Innovation:

Information technology made the entire planet into a small web world resulting in enormous networking among business and individual. The present workplaces are virtual organisation and are technology oriented. Innovation and creativity are building the competitive edge for global business organisation.

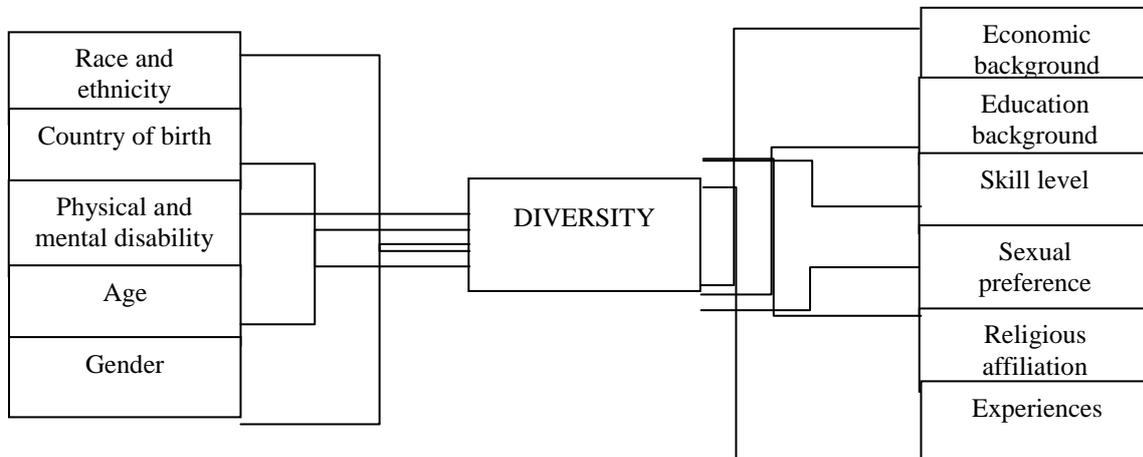
C. Code of conduct:

The global workplace calls for highly professionalised and ethical behaviour from its manpower. The work culture should be such that it nurtures the global climate.

D. Diverse Workforce:

Workforce in MNCs is highly diversified as they are from different countries, religion, race, age group, ethnic group, colour and gender. Globalization has led to mobility of skilled talents across the world which diversifies workforce.

Figure 2: Forces for work force diversity



E. Organisation Change and Development:

Change implies on moving from present state to a more efficient and effective stage. Adjustment among people, technology and structural setup is established during global changes. Organisations have to effectively manage change and become more efficient and effective by developing to be competitive in the global scenario.

F. Global Human Resource Policies and Practices:

Diversity, millennial generation, change in work cultures have forced the organisation to revamp the various strategies, policies, systems and practices foreffective Human Resource Management. The companies have to implement international recruitment and selection policies, cross cultural training, reskilling, international flexible compensation, repatriation, career development program, flexible work schedule and location etc., to stay abreast of the changing global era.

2. Methodology:

This paper is descriptive in nature. The researcher adopted descriptive research design for this study. The secondary sources were used for collecting the data which include text books, journals, bulletins, newspaper articles, government reports and website information. This study is conducted to analyse the Challenges and Trends in Global workplace.

3. Analysis and Discussion:

A. Challenges of Human Resource Management at Global Workplace:

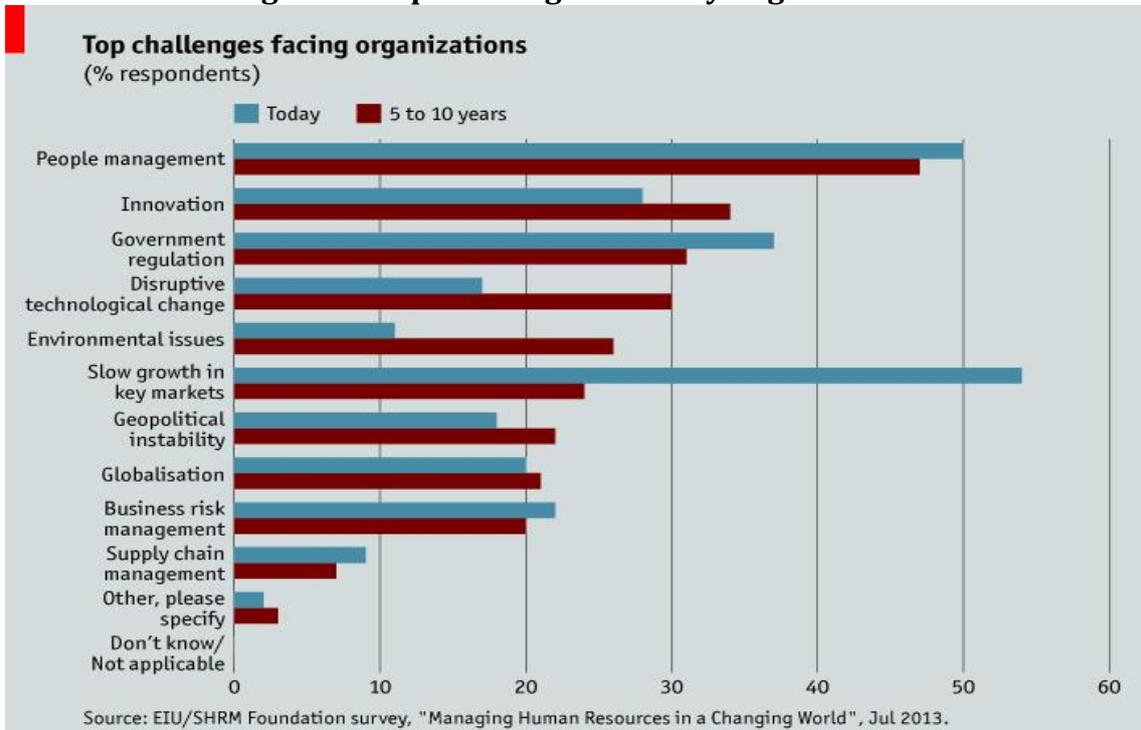
The dynamic global environment poses various opportunities for growth and expansion of business. The HR professionals need to overcome the challenges and compete in managing talented workforce as per the global requirements. According to the survey conducted by EIU/SHRM foundation, people management in global scenario is one of the greatest challenges faced by corporates.

- **Managing diversity of workforce:**

The dynamic changes in the composition of work force in terms of age groups, nationalities, religions, ethnic groups, differently abled, gender, values and beliefs, it is rightly said that today H.R. professionals is managing a totally diversified work force. They will be required to adjust their approach from treating each group of workers alike by recognizing differences among them and strategizing so as to encourage

creativity, improve productivity, reduce labour turnover and avoid any discrimination. When workforce diversity is managed properly, there would be better communication, better human relations and congenial work culture in the organization.

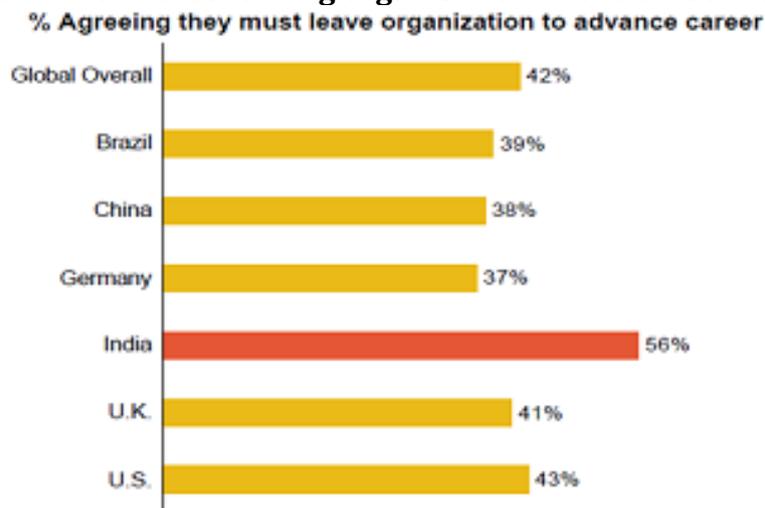
Figure 3: Top challenges faced by Organisation



- **Meeting aspiration of employees:**

There has been a rise in the proportion of employees who belong to the younger generations whose aspirations are different from those of the earlier generations. Young workers are more career oriented and prefer mentorship and coaching over training. They demand flexibility in work schedule and workplace. They are more aware of their higher level need and this awareness would intensify further among the future employees. The managers would be required to evolve appropriate techniques to satisfy the higher level needs of workers and develop plans for the career advancement of the employees.

Figure 4: Global workforce leaving organisation due to career advancement



Source: Towers Watson 2010 Global Workforce Study.

- **Managing Performance in Global Context:**

Rewarding performance, cultural consequences on performance, managing virtual teams and subsidiary performance are critical dimensions in performance management. There should be fairness and consistency in rewarding performances. Feedback is to be provided to individuals and groups.

- **Managing Skill Gap:**

There will be shortage of experienced and skilled employees as the generation of baby boomers would be retiring in the near future. The changing demands of technology in the global era leads to a gap in demand and supply of skilled manpower. The HR manager have to focus on minimize the gap and acquiring skilled talents to be globally competitive.

- **Maintaining of Global Work Culture and Climate**

The HR department has to focus on organisational development by creating global culture which accepts change and creating effective communication networks. They have to create a learning organisation with flat structure.

- **Framing Global HRM Policies:**

In order to acquire talented workforce around the world corporate sectors have to reframe the recruitment and selection policies. Employee engagement programmes and competitive compensation policies should retain skilled employees in order to gain competitive edge. Importance should be given to group dynamics, cross cultural training, flexible schedule, and job sharing and uniform practices in global workplace.

- **Employee Retention:**

The current labour market offers several job opportunities to the job seekers. Job hopping is the greatest threat faced by today's corporate world. The company needs to maintain and retain talented experienced workforce in order to gain competence.

- **Overcoming Resistance Towards Organisation Change:**

Change implies on moving from present state to a more efficient and effective state, adjustment among people, technology and structural set up. The company has to plan effectively to implement change, inform the workforce about the benefits and should provide effective training in order to cope up to the changing requirements.

- **Supporting Technological Advancement:**

Organisations have to focus on building virtual team from different nationality in order to meet up with the changing desires of global customers. The communication networks have to be strategized in order to aid virtual systems where in location is not a barrier.

B. Trends in Global workplace - Being Proactive:

The various changing trends in the global workplace and the strategies to be implemented by the HR professionals at present to meet future challenges.

- **E-learning:**

The traditional approaches of learning through training manuals, handbook, classroom lectures, seminars, using and power point presentations will be obsolete. E-learning provides the ability to conduct training anywhere where an employee has access to internet. Knowledge transfers will take place through virtual interactions using telecommunications. Future workforce would retain more information by gaming modules whereby they are stimulated by participating in situations and gaining experience.

- **Social Media as a New Language:**

Global organisation's work force demands for extensive use of social networking in work. According to a survey done by Deloitte Social business, the importance of social media in workplace has an estimated increase from 18 per cent in 2012 to 63 per cent in 2015. The increase trend in usage of social media is witnessed in the social networking sites like Facebook which had one million users in 2004, increased to 100 million in 2008 and an estimated increase of 1.23 billion users during 2015. The business in cloud computing will grow from a \$41 billion in 2011 to a \$241 billion by 2020.

- **Talent Management:**

The global companies are competing in acquiring skilled employees as critical skills are scarce. There is uneven distribution in the availability of critical new skills which is forcing organisations to ensure that they develop and maintain talented workforce. Effective utilisation of available workforce is the key for global growth. In future, the focus would be on talent development and career advancement in order to retain skilled workforce. Employee engagement programmes should be tailored according to the needs of the key employees. The millennial generation is more prone towards searching other employment within a span of two years; hence active mentoring and empowerment should be the focus for higher commitment. On boarding of employees should be strategised effectively in order to improve retention and commitment. Effective interactive leadership also plays an important role in retention in the global workforce. The HR professional need to frame effective global policies of tailored rewards and compensation, flexi work schedules and dynamic work culture which will also reduce labour turnover.

- **Collaborative Work:**

In the global workforce the companies need to strategise towards framing effective cross national collaborative team work. They need to identify the catalysts that are playing key roles in collaboration. The advancing technologies would facilitate multi-functional and multilevel collaborations. Knowledge sharing and management would be tremendously increased in order to be globally competent.

- **Tailored Rewards and Compensation:**

The reward and compensation programmes are one of the key factors for talent management. In the scenario of diverse workforce the rewards and compensation policies should be tailored according to the changing needs of manpower based on performance factors and skill sets.

- **Work Life Balance:**

Global corporate jargon is 'perform or perish' which is due to the highly competitive market. The working environment is highly stressful and extra hours and odd hours of work is a common scenario. The good working definition of work life balance is 'meaningful daily achievement in each of the four life quadrants i.e. work, family, friends and self.' The corporates have focus on maintaining work life balance in order reduce attrition. The climate at workforce will aim at making work fun and reduce stress.

- **Succession Planning:**

The millennial generation seeks for career advancement and growth for being committed in the global workplace. Succession planning aids in development of the individual and the whole organisation by encouraging the concept of hiring from within

skilled workforce for future vacancies. The manpower would be groomed for the future requirements which is motivating factor for the millennial generation.

- **Reskilling and Repatriation:**

The company will need to aim at reskill the employees to reduce competency gap due to technological advancement. The organisations have to consider e-learning modules, mentoring, and social media and cross cultural collaboration to nurture the global skills. Repatriation refers to termination of overseas assignment and returning back to the home country. The company has to ensure that the expatriate's experience is valued and provide the repatriate suitable job matching the global experience and knowledge.

- **Outsourcing and Consultation:**

The trend of outsourcing and consultation for expert and specialised functionalities will increase enormously. The firms need to focus on key business operations to be globally competitive and also benefit by cost reduction. The expertise knowledge and skills of consultants will help the global companies to have an upper hand in all the working spheres.

- **Flexible Work Climate:**

The global trend will make organisation to be more dynamic for changes which in turn will change the working culture. There will be a tremendous increase in workforce who would be telecommuting and working in flexible shifts as per the requirement of the employee. There would be more scope for creating an interactive and learning organisation in coming years.

- **Reverse Mentoring:**

The millennial generation is more interested in interactive mentoring practices wherein they would have more opportunities to provide creative ideas and also learn in the process. The managers need to be mentors of future generation workforce and one side learning modules will be eradicated. The senior executives need to change their leadership styles to mentorship and coaching.

- **Employee Empowerment:**

The millennials expects lot of freedom of work. By empowering, the workforce would be contributing towards creative and innovative ideas which would be beneficial for global dimensions

- **Employer Brand and CSR:**

The global firms need to strategise on brand building, to acquire talented workforce. Companies will be more people oriented, which in turn will increase corporate social responsibilities.

- **Flexible Performance Reviews:**

The performance appraisal of global workforce will consider the various roles played by individual employees. The evaluation will be individualized to cater to the global requirements. This will be a key for career advancement and succession planning.

Changing Trends in a Snapshot

| Traditional workplace | Global Workplace |
|--------------------------------|----------------------------------|
| Secured permanent job | Contractual and multiple tasks |
| Workforce demand for Salary | Employees seek Prosperity |
| Benefits to individual | Opportunities towards career |
| Promotion ladder | Career navigation |
| Leaders take charge and moving | Leaders nurture and seeks growth |

| | |
|-----------------------------|---|
| Personal assistant | Personalized technology |
| Office productivity tools | Follow-me-and-know-me tools |
| Vertical structure | Cross-functional and flat structure |
| Multinational | Globalized |
| Organization hierarchy | Intra- and extra-organization networks |
| Commute | Tele presence |
| Management decision makers | Employee empowerment |
| Employment history | Personal branding |
| In-person face time | Virtual face time |
| Localization | Global - think |
| Occupational | Holistic |
| Work-life balance | Work-life integration |
| Managing | Mentoring, reverse mentoring & Coaching |
| Developing specific skills | Maximizing potential & reskilling |
| Goals and mission statement | Roles and aspiration statement |
| Company and industry focus | Market transitions and adjacencies focus |

4. Conclusion:

Globalisation has resulted in creating opportunities to the multinationals to expand business operations across the globe. Heavy competition is leading the market which seeks highly skilled and talented work force. To effectively tackle the competition the human resource professionals have come up with innovative strategies and effective methodology to face the global business challenges. Reskilling, repatriation, reverse mentoring, succession planning, collaborative work, social networking, e-learning and cross cultural training are the recent trends adopted to create an effective work place. In the near future, the workplace will be completely virtualized and based on social networking which may be the most prosperous, flexible for workforce and challenging for the human resource management professionals. Creation of ideal workplace is the collective responsibility of individuals, corporate business firms and the government.

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