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International human resource management: Emerging trends and challenges

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Abstract

Due to the invention of globalization, human resource management come with the concept of international human resource management. Not only the human resource management almost in all field of businesses. Nothing remains into the exception of being international. IHRM is set of defined activities of procuring, identifying, allocating and effective use of human resources at international level which means not within the country but across countries. Domestic HRM and International HRM concerned with similar type of activity but the major concerned about the activity hold at international level with different dimensions in different environment. IHRM involved to management practices in different countries in cross cultural context.

This paper focus on theoretical concept of IHRM , its approaches, trends and challenges faced by an organization while working in international business environment and solutions to cope up with the challenges. This paper is based on descriptive research. Data collected done through websites, books, research paper.

Keywords: Human resource, cross-culture, global HRM, organization

1. Introduction

Management of human resources at international level helps to achieve the goals and competitive advantage at both national and international levels. HRM involves to recruit the right person at right time at right job so that the organizational objectives can be achieved which is an challenging job in same way IHRM also proposed to recruit the right person at right job at right time but due to cross cultural differences utmost challenging. The large scale emergence of multinational enterprises in the modern world give rise to relatively new field of study known as comparative management. Comparative management seeks to solve the major problems faced by MNCs which operate in international environment where there is cross cultural differences, difference in law- making, different political structure, different value and attitudes, socio-cultural differences, role of different religion, language differences etc.

Objectives

- To understand the theoretical framework of IHRM.
- What are different approaches to IHRM.
- To gain knowledge about the challenges faced by an organization in international environment.
- To know the solutions to cope up with the challenges faced in international environment.

Approaches to IHRM

Ethnocentric approach: In this approach organization fill key positions by the nations of parent company. They believe that home country employees are more qualified to do work at senior management positions. It's easier to recruit expatriate from our parent company nation who live in host country.

Polycentric approach: Recruitment of managerial positions from host country where is subsidiary of parent company situated. This approach is useful when we require local skill to run our new business unit in host nation who knows the market better.

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Regiocentric approach: Due to cultural differences MNCs select the employees from the region that have representable culture from host country. We hire people within the same region and can transfer employees from host country in same region. This approach is useful where language and cultural barriers exist.

Geocentric approach: Irrespective of nationality most suitable human resources are recruited for the job done. This approach is flexible in recruiting foreign talent into parent nation and then facilitate reallocation employee to new host country nation. Global outlook companies who hire global talent with remote work always prefer geocentric approach.

New trends in IHRM

- Rise of MNCs global HR department keep appropriate human resources with appropriate KSAOs with cross cultural adaptability.
- Human resources when work together they have different age group, different social class, with different religion, beliefs, ideologies so when they work together their work force diversity affects a lot. IHRM must train their people to do work in diversity and to respect each other this also strengthen their relationship management.
- Recruitment of employees with right type of KSAOs and time to time training of them is required with effective strategic human resource planning bridge the gap of skill deficiency.
- Organization keep arranging developmental program or their employees so that they can learn new things and how to act in different business environment.
- Delegation and participative management is key to success in global HRM area. Employees feel motivated and they took their interest in achieving organizational goals.

Challenges faced in IHRM

- **Selection process:** Selection of global workforce require utmost care to make selection of right man at right job. At international level selection procedure may affect by different attitude, required technical competencies to do work in cross-culture. Expatriates who go abroad for their work need to have update skills, competencies, capable to do work in different situation and can take right decision at right time.
- **Training and development:** After selection of human resources training of resources come up next. Employees need to train at fixed interval of time and different training program to generate. In training and development program trainers to train how to cope up with different situation, how to work in different working conditions. Trainers require training time to time.
- **Cultural diversity:** It is not an easy for human resources to understand different culture. Every culture have their own traditions, signs, symbol, ethics and values. Culture represents how people in civilization interact with each other. Expatriates need to be aware about the cultural diversity and need to take care sentiments and values of different culture.
- **Communication:** When we choose expatriates to work abroad quality to communicate in different language have to be consider. The one who can communicate in

different language can exceed in global working environment.

- **Handling conflicts:** The manager who have to work in international business environment need to handle conflicts intelligently while considering the emotions and sentiments of their work force. Who can intelligently handle the conflicts arises during work can make global team stronger.
- **Innovation:** In international market only innovator can survive if we don't update our technology and not making any innovation in market our organization can't survive in long run. For ex- Nokia co was very rich in market share but due to lack of innovation and updated technology and due to entrance to competitors which enhance technology couldn't survive in long run.

Solutions to cope up challenges of IHRM

- **Management at international level:** Management of human resources at international level refers to maintaining cross – cultural teams, selection of right person at right job at right time with right KSAOs.
- **Global competencies:** Employees of an organization who have to work in cross- cultural environment should have global competencies so that they can work in different market cultural.
- **Family welfare management:** Taking care of family who left behind when expatriate go abroad for work is utmost importance. Housing arrangements, health care, child care etc. all these adjustments should take care off.
- **Knowledge of cross cultural:** While selection of employees in global environment employees should have knowledge of different culture, take care values and ethics of cross- culture.
- **Language:** Employees should have caliber to communicate in different languages in cross cultural context where he have to communicate with different prospective buyers with in different languages depends upon the language of customer.
- **Technology advancement:** Organization should upgrade their technology to do work time to time. Organization who update their technology at interval of time can stay in long term.
- **Creation of links with domestic human resource:** When we enter into new market better to create links with domestic human resources who plenty of information about market, knowledge about their culture, better to create good market share in new market.

Conclusion

Human resource management at international level come up with new trends and challenges. Study of IHRM is significant, different approaches to IHRM helps to understand IHRM more closely. Theoretical concept helps to know about IHRM what actually is. In other hand IHRM have their own challenges to work globally main important thing is to know about the challenges that may arise when we work global environment. After getting know about challenges faced in global environment main focused area to come up with the solutions to cope up with the challenges. When an organization make satisfy their human resources and retain the human resources with them can achieve organizational goals in global HRM.

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