

RECENT TRENDS AND CHALLENGES IN GHRM - A SCIENTIFIC ANALYSES

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ABSTRACT

Economic growth around the world is likely to remain below its potential for several years to come. The current unstable business environment has resulted in major challenges to which companies have responded with changes in strategy and operations. The times are especially tough for human resource professionals. A volatile economy is a major obstacle in the way of employee promotions, rewards and retention. In addition to which there is a looming talent crunch for the next generation of middle and senior leaders at domestic and global levels. Historically, Human Resources Management (HRM) has been described as being responsible for the attracting, recruiting, selecting, training, assessment and compensation of employees while ensuring compliance with employment and labor laws. All the functions of Domestic Human Resources Management (DHRM) are applicable in Global Human Resources Management (GHRM). GHRM is the synonymous to International Human Resources Management (IHRM)

INTRODUCTION

Economic growth around the world is likely to remain below its potential for several years to come. The current unstable business environment has resulted in major challenges to which companies have responded with changes in strategy and operations. The times are especially tough for human resource professionals. A volatile economy is a major obstacle in the way of employee promotions, rewards and retention. In addition to which there is a looming talent crunch for the next generation of middle and senior leaders at domestic and global levels.

In a borderless world, expanding footprints of organizations in global markets have sparked newer HR challenges in terms of successful integration of a diverse workforce, business approaches and cultural cues. Like never before, HR needs to be efficient in integrating the dilemmas and defusing the conflicts in the wake of mergers and acquisitions.

REVIEW OF THE LITERATURE

The survey/ review of the literature has been done in order to assess the extent and quality of employees in terms of qualifications, skills and knowledge. There have been a number of studies conducted so far in this area. However, a few studies of importance have been presented here.

1. Gerald (2010) conducted a study on the organizational benefits of investing in work place health and the results show positive behavior from employees.
2. Ronald C Politnikoff (2009) conducted a research on relationship between workplace environment and physical activity and the results show positive relationship.
3. Rao (2003) has studied some aspects of personnel administration and union management relations in the Indian Railways in the post-independence period.
4. Saxena (2000) gives socio-economic background of workers in the five selected units in Meerut district and discussed promotion policies, training, transfers, welfare measures, bonus, remuneration and the functioning of the trade unions.

OBJECTIVES OF THE STUDY

To be precise, the study has undertaken the following objectives:

1. To know the impact of modern GHRM in the Corporate world.
2. To study the economic changes of a nation due to GHRM, and
3. To make appropriate suggestions for effective utilization of the activities of GHRM.

Recent Trends in GHRM

01. Human Resource in Business Outsourcing Process (BPO) is a new accession that makes a traditional HR department redundant in an organization. Exult, the international pioneer in HR BPO already roped in Bank of America, international players BP Amoco & over the years plan to spread their business to most of the Fortune 500 companies.
02. With the increase of global job mobility, recruiting competent people is also increasingly becoming difficult.
03. Employees are accepting assignments that take them to unsafe and dangerous work places in the world. These assignments are often shorter term, but increasing in frequency.
04. On global employment the work life and private life has been blurred by technology with multi cultured people.
05. On the global employment worldwide governments are providing incentives for whistleblowers and promoting a business culture that embraces and working culture.
06. The new face of discrimination like migrant and social origin globally.
07. Third party is funding of litigation.
08. Global mobility employment contracts are critical and the working places of expatriates or migrants in the world wide workforce are difficult.
09. Rise of the contingent workforce worldwide is an economic certainty and presents multiple employment law compliance issues ranging from joint employer liability to compliance with globally different wage and benefit statutes.

10. Global arbitration and the rise of soft law approach to regulations represents multiple employment law challenges at the same time it promotes greater uniformity of working conditions and global management.
11. The importance of globalization and integrating markets will become larger and more global.
12. Talent management is finding and retaining quality talent continues to be essential to business sustainability.
13. Most industries and countries are to experience a widening talent gap, notably for highly skilled positions and for next generation of mid and senior leaders.
14. Working virtually across functions and geographies will intensify.
15. Human capital protectionism may continue to increase in many countries in non-tariff, nationalistic forms.
16. Companies that originate in emerging economies will continue to succeed in the global marketplace.

Global Business – Results

- The Industrial Units have become more globally, in Markets, Operations, Technology and Investment.
- Organizations will experience higher levels of risk and uncertainty,
- The disruptive nature of globalization will increase the need for organizations to be more flexible and agile,
- There will be increased political and social pressures for ecological and societal responsibility,
- Organizations will be facing and challenged by economic and demographic imbalances.
- The use of technology will increase at a rapid pace,
- Work will become more complex and interdependent,
- Work and thus people will be more mobile and global in orientation leading to increased workforce migration,
- There is likely to be a growing mismatch between skills needed and talent available,
- There will be an increased need for demographic and cultural sensitivity,
- More work will be done by diverse work teams often at a distance from one another,
- Declining loyalty between organizations and employees,
- The traditional definition of family is undergoing transformation.

GHRM- Challenges

Due to up and down movements of global economy there are many changes occurring rapidly that affect following GHRM issues.

- Change Management Style
- Leadership Style
- HR Performance Appraisal
- Organizational effectiveness
- Remuneration and Compensation
- Staffing: Hiring and Recruitment of Knowledge Workforce
- Succession and Career planning
- Learning and Development
- Benefits costs: Health, Safety and Welfare
- Staffing: Retention and Termination
- Managing diversity of workforce.
- Managing pressures for more labor rights in third world countries.
- Managing Outsourcing of employees.
- More part-time and temporary work
- Managing productivity and Quality
- Downsizing the workforce
- Coping with flexible working hours

Global Business and GHRM

1. Political

- Increased demands for transparency in government and organizations
- Increasing dispersal of national power
- Narrowing of gaps in national power between developed and developing nations
- Increase in the power of non-state actors (businesses, organizations such as the World Bank)

2. Economical

- Increased government involvement in economic growth
- Increasing gap between rich and poor individuals
- Rapidly increasing national debt to GDP ratios
- Growth and increasing instability of sovereign wealth funds
- Increase in state capitalism

3. Social

- International and internal migrations
- Increased interconnectivity of people, organizations and societies
- Changing family structure
- Increasing power of women
- Aging population
- Population growth
- Increasing social freedom
- Accelerated pace of life
- Urbanization

4. Technological

- Pace of technological innovation is increasing
- Genomics
- “Digitization” of lifestyles and work life
- Breakthrough or transformative technologies
- Social, economic and cultural connectivity.

SUGGESTIONS

1. GHR Manger needs to develop work culture by acquisition and mergers.
2. Companies are going global due to which the workforce diversity is increasing. Managing these people with different religious, cultural, moral background is a challenging task for the HR Managers in 21st Century. Showing more effort on this areas.
3. Long working hours, target pressures, high competition etc adds stress and conflicts, Maintaining a balance between work life and personal life is also real life problem, due to which stress and conflicts take place.
4. Information system regarding human resources has not yet fully been developed due to industries giving low status to HRIS and less importance given to HRP. Further the reliable data and information about the economy, other industries, labour market, trends in human resources are not available.
5. In relation to considering all recruiting options, HR must keep up with ever-changing technology and trends.
6. Realize that emotions are part of the workplace and that negative emotions can fuel the conflict.
7. Another challenge facing Human Resource Management at global is bureaucracy, Structure and regulations in place to control activity.

8. The GHR manager should have compromising style to maintain and continuing the relationship in the organization.
9. Avoidance is characterized by deliberately ignoring or withdrawing from a conflict rather than facing it.
10. The main challenge affecting today is leadership development. Human Resource professionals continue to wrestle with understanding the best ways to keep people in the pipeline and develop leaders for future succession planning. They are required to provide the essential frameworks, processes, tools, and points of view needed for the selection and development of future leaders, and that managers they produce in the long run are equipped to take on leadership roles of the future so that the organization is viable in the long term.
11. An evaluation of the personal and demographic characteristics of the candidate and his/her family members.
12. Training and development extends beyond information and orientation training to include sensitivity training and field experiences that will enable the manager to understand cultural differences better. Managers need to be protected from career development risks, re-entry problems and culture shock.
13. To balance the pros and cons of home country and host country evaluations, performance evaluations should combine the two sources of appraisal information.
14. Compensation systems should support the overall strategic intent of the organization but should be customized for local conditions.
15. In many European countries - Germany for one, law establishes representation. Organizations typically negotiate the agreement with the unions at a national level. In Europe it is more likely for salaried employees and managers to be unionized.
16. Employers also need to be aware of discrimination liability related to economic adversity and discrimination against the unemployed. Within the U.S., states are starting to adopt statutes protective of the unemployed and the EEOC has flagged the potential link between current civil rights laws and the disparate impact of unemployment discrimination. Outside of the U.S., unemployment discrimination may be considered a form of social origin discrimination.”

SCOPE FOR FURTHER STUDIES

The present study has aimed to know the impact of modern GHRM in the Corporate world and to study the economic changes of a nation due to GHRM. There is a scope to study in Service Sector, manufacturing sector and multinational sector.

SOCIAL RELEVANCE OF THE STUDY

Society comprises of the workers, management, Government and general public. We are willing in a global village. The present study is of much relevance to the multinational companies, global placement agencies, Government and Public.

CONCLUSIONS

The challenges for HR range from adjusting to the demands of a globalized workforce, through negotiating cost constraints, to taking advantage of new technologies. At the same

time, HR's potential strategic value is under-appreciated. In order to emerge stronger from its current struggles - stronger and better able to add value - executives must recognize and implement three concurrent changes to the HR function. So here the GHR managers should concentrate on updated changes trends and they should be ready to avoid the barriers more than face it. For this they should maintain some standard qualities then only it is possible.

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