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Programme: M.A., HUMAN RESOURCE MANAGEMENT

Course Title : Global Human Resource Management

Course Code : 22HRM4EC9

Unit-I

Introduction to IHRM

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Introduction to International Human Resource Management (IHRM)

Key Concepts, Differences, and Strategic Development

Introduction to IHRM

- - Definition: Management of human resources across international borders to support global operations.
- - Purpose: Facilitate global workforce integration, compliance, and effectiveness.
- - Importance: Ensures alignment with global business strategy and cultural diversity.

Emergence of IHRM

- - Globalization: Expansion of businesses internationally has driven the need for IHRM.
- - Technological Advancements: Improved global communication and connectivity.
- - Workforce Mobility: Increased expatriate assignments and global collaboration.

Definition of IHRM

- - Formal Definition: IHRM refers to the processes and strategies of managing diverse international human capital to achieve organizational goals globally.
- - Scope: Includes recruitment, selection, training, compensation, and performance management internationally.

Domestic vs. International HRM

- - Scope: IHRM covers multiple countries and regulations, while domestic HRM is limited to one country.
- - Complexity: Higher in IHRM due to cultural, political, and economic diversity.
- - Risk Management: More complex in IHRM due to geopolitical and compliance factors.

Differences Between Domestic and IHRM

- - Cultural Differences: Adaptation to different cultural norms and values.
- - Legal Environment: Diverse employment laws and regulations.
- - Communication: Challenges in language and cross-cultural communication.
- - Workforce Diversity: Managing a globally diverse workforce with varying needs.

Moderating Variables in IHRM

- - Cultural Environment: Varies by region and affects HR practices.
- - Organizational Structure: Centralized vs. decentralized HR strategies.
- - Industry Type: Determines global mobility and talent management needs.
- - Staffing Strategy: Ethnocentric, polycentric, regiocentric, or geocentric approaches.

The Path to Global Organizational Status

- - Domestic Company: Initial stage focused locally.
- - International Company: Exports products/services abroad.
- - Multinational Company: Operates in multiple countries.
- - Global Company: Integrated and consistent global operations.
- - Transnational Company: High global integration and local responsiveness.

Modes of Operation in IHRM

- - Expatriates: Sending employees abroad for assignments.
- - Local Nationals: Employing individuals from host countries.
- - Third-Country Nationals: Employees from neither the home nor host country.
- - Virtual Teams: International collaboration through digital platforms.

Control Mechanisms in IHRM

- - Direct Control: Face-to-face management and expatriate leadership.
- - Indirect Control: Corporate culture, policies, and standard operating procedures.
- - Performance Monitoring: Use of KPIs and balanced scorecards globally.
- - Legal Compliance: Adherence to host-country labor laws and global policies.

The Seven Cs of IHRM

- 1. Competence: Ensuring employee skills align with global roles.
- 2. Coordination: Integrating HR practices across borders.
- 3. Communication: Managing cross-cultural and multilingual interactions.
- 4. Creativity: Encouraging innovation in global teams.
- 5. Commitment: Building employee loyalty in a global workforce.
- 6. Cost-effectiveness: Balancing HR budgets internationally.
- 7. Compliance: Adhering to diverse international labor laws.

Development of IHRM

- - Initial Focus: Managing expatriates and relocation.
- - Strategic Evolution: Aligning HRM with global corporate strategies.
- - Modern Approaches: Leveraging technology and analytics for decision-making.
- - Future Trends: AI, diversity, and remote work impact on IHRM.

Key Differences Between Domestic and IHRM

- - Scope: IHRM deals with multiple jurisdictions and cultures.
- - Complexity: More intricate due to diverse regulations.
- - Staffing: Includes expatriates and local hires.
- - Cultural Awareness: Essential in IHRM due to cross-border operations.

Challenges in IHRM

- - Cultural Barriers: Navigating diverse cultural norms.
- - Legal Differences: Ensuring compliance with varying labor laws.
- - Global Talent Management: Attracting and retaining international talent.
- - Political Risks: Adapting to geopolitical changes.

Path to Global Organizational Status (Expanded)

- - International Expansion: Establishing overseas operations.
- - Regional Integration: Coordinating HR across multiple regions.
- - Global Competitiveness: Achieving operational excellence worldwide.
- - Cultural Synergy: Integrating diverse cultural strengths.

Importance of Cross-Cultural Management

- - Building Trust: Fostering collaboration in diverse teams.
- - Enhancing Productivity: Aligning team goals across cultures.
- - Conflict Resolution: Addressing cultural misunderstandings effectively.
- - Leadership Development: Preparing leaders for global roles.

Expatriate Management in IHRM

- - Selection Criteria: Identifying suitable candidates for international assignments.
- - Training and Development: Preparing expatriates for cultural and professional challenges.
- - Compensation Packages: Structuring benefits to attract expatriates.
- - Repatriation: Supporting reintegration upon return.

Role of Technology in IHRM

- - HRIS: Managing global employee data efficiently.
- - Virtual Collaboration: Enabling remote teamwork.
- - Analytics: Informing strategic HR decisions with data.
- - Training Platforms: Facilitating global learning programs.

Future Trends in IHRM

- - Diversity and Inclusion: Building equitable workplaces globally.
- - Artificial Intelligence: Automating HR processes.
- - Sustainable HRM: Focusing on ethical and eco-friendly practices.
- - Remote Work: Adapting HR practices for a distributed workforce.

Conclusion

- - IHRM is essential for navigating the complexities of global business.
- - It involves strategic integration of diverse HR practices.
- - Success depends on cultural awareness, adaptability, and innovation.
- - Future advancements will shape the evolution of IHRM.