

GLOBAL HUMAN RESOURCE MANAGEMENT: THE NEW PARADIGM TOWARDS WORKPLACE TRAINING AND DEVELOPMENT

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ABSTRACT:

Globalization continues to be the dominant driving force in the world economy. As it changes human lives, it is reshaping corporate, societies and influencing political systems. Equally well, the global business world is undergoing unprecedented changes and turmoil exposing humanity to new challenges in many ways. Intellectual capital being critical to business success in a globally competitive environment, it is likely to raise numerous implications for human resource activities such as organizational structure, workforce planning, recruitment, international staffing and compensation, labor relations and standards, career management etc. The paper will, however, limit its detailed focus on employee orientation, cross cultural training and development and its integration with business strategy and conclude with the new skill-set requirement for a Manager in the emerging global environment.

INTRODUCTION

Human resources are the most valuable global wealth; which in turn determines the effective utilization of all other resources. It is a well known fact that the real capital is human resource management which through self management enables people to achieve all-round success. Further, human resource management being a process of bringing people and organizations together for realizing their common goals, the role of HR Manager is no longer that of a protector and screener and/or analyst. The role is rather shifting towards a planner and change agent. It is impossible to show a healthy financial company report without having excellent human relations within or outside the organization. The shift from low skilled jobs to highly level jobs also calls for mapping through appropriate human resource management initiatives. The organizations all over the world are equally well witnessing a change in systems, management cultures and philosophy due to the global environment of different kinds of alignment and collaboration amongst them. These call for a need and challenge for the new multi-skill development to meet the global requirements. The role of Human Resource Management is thus assuming critical importance in the context of globalization.

The paper attempts to overview briefly the various issues of human resource management and suggests a new paradigm for training and development in the context of globalization, competitive environment and new trends in the society and the corporate.

SOME EMERGING GLOBAL TRENDS IN HRM

The entire world is moving towards excellence and globalization. At the same time the world has become more and more interdependent due to political, social, cultural and economic globalization. In the context of human resource management, it requires that HR issues are studied and designed to keep pace with the changing path and environment. The entire globe, especially the USA and some countries in Asia today are undergoing economic crisis, unprecedented turmoil, and corporate chaos thereby exposing the entire humanity to dangerous hazards in numerous ways. The collapse of giant corporate

continues to be a matter of great concern all over the world. Many cases of collapses such as Enron, World Telecom, Lehman Brothers, and more recently Satyam InfoTech have attracted the attention of people all over the world calling for change in corporate governance and human resource management. This calls for a drastic change in the conceptual framework of business which should be perceived as a means to share and care for human well being, their development and overall welfare spread over all sectors of the global economy. Reinforcing the perception, can we overlook 'men' as the most important factor which determines the effective utilization of the remaining five M's – money, materials, machines, methods and markets? The answer is simple when we recognize that "men are more valuable than all the wealth of the world". This aspect is well realized in the UNDP ongoing researches on human development combining economic, education, demographic variables such as expectation of life; and now even security of women and what not. We need to recognize and put across this value system about man management in our professional/academic MBA programs. The sole mission of M.B.A. programs should be to produce and develop global leaders/managers having passion, dedication, dynamism, professionally/academically sound, socially responsible with balanced personality and total positive attitude towards human development including human resource management.

Despite odds such as insecurity, managing global networks and mistrust among big multilateral institutions such as the International Monetary Fund, The World Bank and World Trade Organizations in terms of their credibility loss, globalization continues to be a dominant driving force in the world economy. It is no doubt reshaping societies and political systems as it changes lives globally. The expansion of high-tech information based economy further defines globalization as a dominant force for reshaping the business cycle, flow of capital, manpower, goods and services among Asian, American and European countries. With continued growth in multinational investment and the world becoming 'global village' and the global corporation becoming a fact of modern organizational life, there is a strong need to redefine the various human resource management issues – cultural/diversity aspects, strategic workforce planning, recruitment, selection, orientation, training and development, career management, compensations, labor relations/standards, repatriation/immigration, etc.

The new trends in global human resource management obviously further place emphasis on greater number of responsibilities and functions. These include *inter alia* relocation, orientation and translation services to help employees adapt to a new and different environment outside their own country. This will have serious implication on the selection of employees requiring careful evaluation of the personal characteristics of the not only the candidate but his/her spouse. Even the performance evaluations will have to combine the two sources of appraisal information – home as well as the host country. Another integral factor is the compensation system which should support the overall strategic intent of the organization but will have to customize to local conditions. Also, managers will have to be protected from career development risks, re-entry problems and culture shock. The role of HR Manager therefore calls for a drastic change and especially in the area of training and development to ensure overall organizational success and understanding the cultural differences better. The entire human resource management system would require integration with corporate goals, people aspirations and global environment. It should be noted here that global corporations are bound to put more pressure on human resource management activities such as taxation, compensation and its payment in different currencies, dependants of employees, housing, health, education, recreation and even social part in terms of mingling with different cultures, beyond recruitment, workforce planning and changing organization structure notwithstanding the internet culture. Finally, the human resource management system will also have to be very conscious about the ongoing economic crisis involving repatriation of employees and their resettlement in the home country.

Each issue is subject by itself and hence the limitation of discussion and coverage in one paper.

HRM PRACTICES AND CULTURAL ASPECTS

The cultural aspects all over the globe vary and it is very important that managers understand the process of cultural differences. Needless to emphasize that management practices depending heavily on understanding cultural differences at the global level. We need managers who are quite sensitive to cultural differences and manage it with great respect. This requires flexibility in interacting with others but helps all a lot in communicating with representatives of different cultural groups all over the world. The choice lies between cosmopolitan managers rather with those who are rigid with their local perspective.

It is well recognized that many business problems are related to fundamental cultural differences and the way the managers perceive them globally. Do we have a choice except to treat human resource management practices as a cultural variable? Some of the factors comprising cultural understanding may comprise of sense of self and space, dress and appearance, food and feeding habits, communication and language, time and time consciousness, relationships, value and norm, beliefs and attitudes, work motivation and practices, and mental processes and learning. Management practices that are not consistent with the dominant value of a culture are less likely to have positive effects on employee performance and behavior. It is therefore desirable to think on global terms rather trying to find unique solution to every problem and at the same time adopt management practices which may be better suited for the corporate office or the headquarters of the company located in their own country.

The cultural aspects of human resource management also cover managing workforce diversity which is inevitable. "Managing diversity means establishing a heterogeneous workforce (including white men) to perform to its potential in an equitable work environment where no member or group of members has an advantage or a disadvantage.* Globalization by its very nature and with cultural differences becomes a dominant factor in managing diverse workforce. Numerous reasons could be listed for describe diversity, but the following reasons are fairly dominant for managing diverse aspects of human resources. These include the obvious shift from a manufacturing to services, global markets, teamwork strategies, mergers and acquisitions/alliances combining different cultures for working together and the changing labor markets. ** The benefits of handling diversity have been well realized by many companies and specifically by PEPSICO*** and AT&T ****.

Training and Development – The Rationale

Training and Development is no longer a local issue. It has become a global issue considering the cultural aspects and diversity of workforce. The European Training and Development Summit held at Prague in 2008 estimated/quoted that global spending on training and development has reached in excess of 110 to 130 billion. In fact more and more corporations are realizing the necessity to clearly train and develop their people to achieve their group strategies and goals. It is also felt that organizations that fall short and neglect their coaching, orientation, learning, training and development needs are leaving themselves open for costly problems for their groups overall objectives and organizational profits. Putting across and identifying the best global requirements and to seek the benchmark best practices in Training and Development initiatives is not simple. Further, putting these skill factors into practice is not an easy job. Trainers and HR professionals in corporate training and development understand these challenges and they realize what they are up against. Implementing the global drive and strategy in the changing environment and competition requires up to date knowledge and a key understanding in order to make difference. The professional leadership trainer and training and development manager must continue to evolve and be innovative. They should know how to deal with issues that face an ever starving/hungry workforce, particularly when faced with matters such as

skills shortage, change management, transformation, economic crisis and above all relevant leadership and managerial skills.

Thus the challenges of developing a sustainable business and then operating successfully on that global scale brings training and development issues to the forefront - both strategic and tactical. What we need today is balance of standardized global training and training programs delivered with a local cultural emphasis and bias. It will not be an overstatement to mention that the entire world is facing social, environmental and economic challenges in the 21st century. Therefore, the present need is to acquire a training and development approach that is not only sustainable but also viable from the social, environmental and economic point especially in the present global financial crisis. Given the current economic turmoil and the need to have the best possible talent to handle global workforce and related issues, it is desirable that companies should consider training expenses/budget as a part of their capital costs towards human development. Obviously, organizations which provide quality opportunities for growth, learning and training/up gradation are likely to have a distinct advantage when competing for, recruiting and retaining talented employees. While organizations should take the overall responsibility of creating a learning environment, the individual employees are equally responsible for deriving the maximum benefit from the various learning/training opportunities provided to them by the company and the management. It is equally important to consider retraining existing employees rather than hiring new employees from time to time and then providing them orientation and training to meet the objectives and goals of the company. Retraining existing employees is more cost effective and likely to leave positive impact on the morale and their motivational level resulting in higher productivity, payoffs, profits, team work spirit and environment conducive for managing diversity and global issues.

Training Defined

Training may be defined as a set of planned programs designed primarily to improve the performance of employees at various levels. Improvement in performance may also be perceived at the level of the individual, group and/or the organization/company; but in measurable terms for changes in knowledge, skills, attitudes, and/or social behavior of employees.

Training should be perceived at the micro as well the macro level. The micro level issues include type of training to be imparted for obtaining positive outcomes for trainees/employees and organizations; assessment of training needs, structuring the delivery of training programs and evaluating the outcomes training programs and efforts. The macro level issues may cover coordination among various providers and the financial implications thereof, training beneficiaries, and finally the economic impact of training. The focus should be on identifying the right kind of employees who need training for learning in relation to their desired job behavior rather than on training methodology. It is very critical to measure the value/payoffs/monetary benefits and outcome of training through various evaluation techniques.

It is unfortunate that there is a paradoxical situation when it comes to allocating definite financial budgets for training. Some organizations feel that upgrading the skills and capability of their workforce prepares them to face market competitions and simultaneously increasing their job security and desire to stay within the current organization. Notwithstanding this training paradox, the focus/emphasis should be on providing large number of training and learning opportunities and working environment resulting in retention of employees and financial stability. Training programs should, therefore, be integrated with the business targets and strategies and evaluated thoroughly to realize the benefits and returns from them.

Some Parameters of Effective Training

It is very hard to define in concrete terms various parameters of effective training in the context of globalization, culture and diversity. However, one should consider:

- Individual's readiness and/or willingness for training and its credibility.
- Organizational/management support
- Background/Profile of employees/trainees including their trainability, personality traits and learning willingness for change.
- Healthy work environment
- Post-placement of employees after training
- Attitude towards job and/or career
- Learning course contents/curriculum
- Training methodology/techniques and adult learning compatibility.
- Training and/or Work environment.

It is not easy to identify the parameters listed but organizations can certainly create learning and follow up environment for employees to appreciate the benefits of training in tangible terms including monetary benefits. The research studies have shown that macro as well as micro level training has great impact on individual employees, teams, organizations and society. For example, macro level training should lead improvement in the quality of labor force. On the other hand, micro level training has multiple benefits in terms of improvement in technical skills, strategic knowledge and greater innovation and tacit skills. The micro level training can also result in ensuring consistent performance and enhancing attitudes especially through leadership development programs. Other tangible benefits include improvement in customer and shareholder satisfaction, productivity etc. Finally, reference needs to be made about cross-cultural training which is bound to improve expatriate adjustment and performance. All this requires great commitment on the part of the management who should be willing to make investment the required financial and other resources. Training also needs to link to business strategy of the company and have absolute transparency in terms of feed back system through evaluation of training programs.

Assessment of Training Needs is a critical activity for training and development function. This should be the first step for any training program and determining the who, when, where, why and how of training. This implies understanding the goals and objectives of the organization, jobs and related tasks that need to be learned, competencies and skills that are needed to perform the job and individuals to be trained. While assessing training needs serves as a foundation for the entire training effort, the purpose is equally well to define what the employee should learn in relation to desired job behaviors. Assessing training needs is also used for identifying competencies and performance of work teams, productivity issues, problem solving and changes in the organization's job duties and/or work culture.

Assessment of training needs should be visualized at four levels, viz., Organizational, Demographic, Operational and Individual. Each of these levels will address different approach keeping globalization and cultural variable as the focal points. Their detailed discussion now follows:

Organizational Analysis of training needs should focus towards identifying training which supports the company's strategic policies, programs and directions. It should specifically look at the effectiveness of the organization and identify where training is needed. It is equally important to determine the conditions under which training should be conducted. This analysis should take into consideration parameters/factors such as environmental impact covering new laws such as OSHA, economic status and its impact financial budgets including operational costs etc., workforce diversity, cultural aspects, changing technology, global markets, organizational goals and resources, learning environment, employees attitude towards training and otherwise and above all support of the top management. The implication is in terms of obtaining lot of information primarily from the internal resources of the organization on various management policies and practices including the skill inventory – current and required to meet the objectives of the organization.

The demographic analysis should focus on identifying the needs of special groups like the increasing number of older workers women or managers working at different levels all over the globe. At the same time, it should focus on specific jobs including divisions of an organization and the changing organizational structures.

The operational analysis should attempt to identify the training contents compatible with the employee needs for efficient and/or competent performance. It includes jobs or group of jobs and the knowledge and skills, attitudes and abilities needed to achieve optimum performance. Information about job description, knowledge, skills and attitudes of incumbents, performance standards, performance appraisals are some of the important inputs for identifying training needs.

Finally, the individual analysis should focus on identifying employees who need training as well as the type of training they require again for improving their performance in the organization. Thus analysis should address itself to determine how well the individual employees are doing and their training requirements. Simply, one could say the difference or the gap between the desired and actual performance will determine the training needs of an employee. Their performance evaluation and problems such as productivity, absenteeism, grievances and customer complaints could be the basis of determining individual training needs. Added to this in the global context should be the cultural background of employees to match with the new work environment.

TRAINING PROGRAMS

Designing Training Programs is the most critical phase of training activity which follows immediately after assessing the training needs. Designing a training program could require using the internal resources and/or external resources like consultants providing service from training identification to the final stage of evaluating the outcome of a training program. This requires careful selection of program contents, program methodology for imparting training, infrastructure like training room setting, preparation of course material and above all Faculty – internal, external and guest. The training of faculty selected and their orientation could be an important part of designing a training program.

Implementing Training Programs is again a very important phase of any training activity and needs special attention for getting full benefits. It requires training schedule preparation, organizing or scheduling facilities including computer laboratories etc., participants. Scheduling the faculty needs special attention considering the various sources – internal, external and guest. The latest course material should be made available to all the participants before the start of the training program. And finally, the training program should be conducted covering the academic, professional, social, field/industry visits and also covering cultural aspects of the country where the training is proposed to be conducted.

Evaluating Training Programs – macro as well as micro - constitutes an integral part of any developmental activity and for human development in the broader sense. The top management support for continuing training would depend very much upon the success achieved to meet the organizational goals, enhancement in productivity and any change in the behavior of the employees. The sponsor of the training program(s) should always assess whether trainees have achieved specific level of skill, knowledge and/or performance. What has contributed to change – training or some other related factors and also its contribution to the organizational goals. How far this kind of benefit is likely to benefit the new trainees/participants and this would provide a lead for integrating with any orientation program for new employees. It is critical that the benefits of training are evaluated from various considerations such as organizational payoffs, transfer of training in the sense that skills and competencies learned during training are applicable to the job performed by the same employees.

Otherwise the consequences are not healthy – training cost could be prohibitive in the current economic crisis and turmoil and a worse scenario could lead to hampering the performance level. It is to be

realized that while the impact of training on organizational results/outcomes should form the most significant concern. Nevertheless, this is the most difficult thing to implement and demonstrate in terms of its impact.

DEVELOPING NEW EMPLOYEES ORIENTATION PROGRAM

Workplace performance should be a top priority for employers as well as the new hires in any organization. The best time to present performance expectations of employers is during the course of orientation program. This is very important for aligning the viewpoints of the employer and the new hires. Orientation programs are very beneficial to the new employees for understanding the policies, practices, culture and also preparing them for their first performance review after joining the organization.

Although “familiarization with and adaptation to situation or an environment” is an integral part of orientation, the hard fact is that this continues to be neglected part of the agenda in various organizations and countries. In fact the researches show that most of the turnover occurs during the first few months and this lapse on the part of organizations may turn out to be an expensive mistake. This dimension is quite sensitive when one looks at human resource management from the global context. A new organization is more or less visiting a foreign country where the culture and customs are different. The choice lies either in learning about them through an organizational effort or discovering them through some trial and error methods. This is the best time for an employer to transfer the local customs, culture and other practices of the organization and/or the country to reduce stress on the mind of employees. Orientation should incorporate a socialization period to integrate fully with the local systems and not merely exposure to company’s philosophy, policies and rules.

New employees must be exposed to all the documents and official literature of the organization, interaction with the senior managers, their instructions and the examples set by them. The interaction is equally important with the peer group and again the examples set or given by them. The new employees should be fully exposed to challenges facing them in their assignments. Some special problems may arise because of the background of employees and the industry from which they come.

All said and done, the new employees must be briefed about the company standards, expectations goals, history, politics and language. The social behavior such as approved conduct, the work environment and getting to know the peer group, fellow workers and supervisors is also important. Finally, organizations should not ignore the follow-up of orientation through checklist or otherwise evaluation by the supervisor and/or the HR Manager/representative. This will ensure not only proper quality control but also continual improvement for sustainable performance.

THE NEW GLOBAL MANAGER

The foregoing discussion leads one to conclude that globalization has numerous implications on human resource management practices and policies. Globalization has resulted in a wide range of jobs moving abroad for various reasons and factors. This includes low cost of overseas skilled workers, the availability of information technology in countries like India and China, the capability of internet to allow global workforce and the most recent trend of corporations to become more global in nature and their functioning. Obviously, the impact of globalization on management education creates a challenge to understand what it means to be a Manager in the 21st century global economy. How best to prepare the Managers of the Future and what kind of skill set is required? As management educators/trainers, we must prepare managers with the skills needed to drive and benefit from these changes. The implications on training and development are numerous and a new way of assessing training needs is a challenge. We need managers with human values such integrity,

respect for individual, trust, team spirit, innovation, creativity, cost concern, time consciousness and above all commitment to total quality. The organizational climate with therefore have to impart training in such a matter which ultimately leads to knowledge generation and sharing, employee satisfaction and customer satisfaction.

CONCLUSION

It is a foregone conclusion that staff development should be an integral part of global corporate governance and organizational development. The training programs must include development of human resources, employees training, management development, and attitudinal changes among broad members, staff management, other management level and associations/unions where the prime focus should be managing the global workforce. The most critical things towards achieving this goal would be an ongoing corporate exercise to identification of training needs. A well-set staffed HR Department could take care of these activities and also ensure effective participation of staff in Seminars, Conferences and international forums to give cross-cultural and global perspective to employees. It is equally important to provide training to non-executive staff as well as to independent directors. While earmarking training budget and its relationship with annual operating costs is important, it is more critical to evaluate training impact and its effectiveness in the work of the organization. Finally, the paper opens out many areas for ongoing research through empirical evidence and new investigations/studies involving exhaustive data collection and data analysis covering the cross-cultural aspects but at the same time contingent upon the availability of funds through national or international resource

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