TRAINING BOOK

MBA HUMAN RESOURCES™

INTERNATIONAL MBA INSTITUTE™

MBA HUMAN RESOURCES™ DEGREE

TRAINING BOOK

SECOND EDITION

BY INTERNATIONAL MBA INSTITUTE™

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Yeliz Obergfell
Vice President - Student Experience
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HUMAN RESOURCES - AN INTRODUCTION

In this chapter, you will:
- Understand the concept of Human Resource Management
- Understand the various definitions of Human Resource Management

Human resources is one of the most valuable and unique assets of an organization. According to Leon C. Megginson, the term human resources refers to "the total knowledge, skills, creative abilities, talents and aptitudes of an organization's workforce, as well as the values, attitudes and beliefs of the individuals involved." Management as a process involves planning, organizing, staffing, leading and controlling activities that facilitate the achievement of an organization's objectives. All these activities are accomplished through efficient utilization of physical and financial resources by the company's human resources.

Human resource management is one of the most complex and challenging fields of modern management. If you are a human resource manager, you have to build up an effective workforce, handle the expectations of the employees and ensure that they perform at their best. You also have to take into account your firm's responsibilities towards the society that it operates in.

Traditional approaches to personnel management emphasize command and control. These have now given way to new approaches characterized by greater freedom support to the employee. This transformation is almost complete and many successful companies today empower their employees to manage most aspects of their work.

As observed in the following figure, before the 1980s, personnel administration was characterized by standardization, and consistency and conformity were the hallmarks of the management policy. However, today, flexibility has become a significant aspect of a company's corporate human resource strategy.

Though an organization's physical assets are major factors in determining its success, it has now been accepted that its employees or human resources, are equally critical assets. The successful management of an organization's human resources is an exciting, dynamic and challenging field, especially at a time

when companies are globalizing, and employing increasingly larger numbers of knowledge workers.
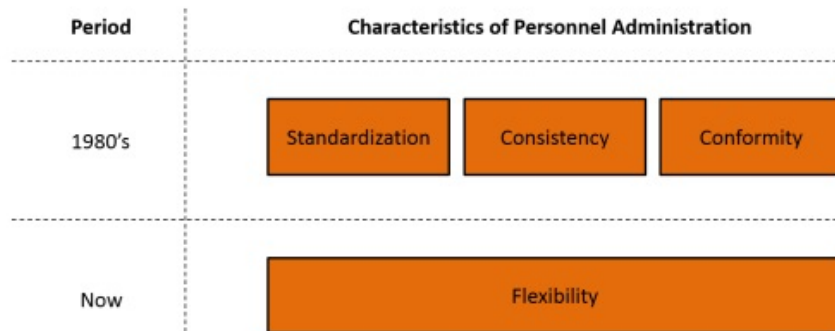
Characteristics of Personnel Administration

Definition and Concept of Human Resources Management (HRM)

Human resource management deals with the "people" dimension in management. Byars and Rue, say "Human Resource Management encompasses those activities designed to, provide for, and coordinate the human resources of an organization." According to Ivancevich and Glueck, "Personnel/ Human resource management is the function performed in organizations that facilitate the most effective use of people (employees) to achieve organizational and individual goals".

Every organization is composed of people and utilizing their services, developing their skills, motivating them to enhance their levels of performance and ensuring that they remain committed to the organization are essential for the accomplishment of organizational objectives. This is true for all types of organizations – government, business, education, health, recreation or social action. Acquiring and retaining good human resources is an essential pre-condition for the success of every organization. Organizations that can do this will be both effective (i.e., they will be able to achieve their goals) as well as efficient (i.e., they will use minimum resources necessary to achieve their goals). Inefficient or ineffective organizations face the danger of stagnating or going out of business. Competent managers and workers are essential for the coordination of efforts towards the ultimate objectives which ensure the survival of the organization. Though such coordination alone cannot guarantee success, the lack of it can lead to failure.

HRM is a process that consists of four functions – acquiring, developing, motivating and retaining human resources. You will observe that the acquisition function starts with planning (for the number and categories of employees required) and ends with staffing. The development function has three dimensions - employee training, management development, and career development. The motivation function includes identifying the individual motivational needs of employees and identifying ways to motivate them. The retention function is concerned with providing a conducive work environment to the employees and nurturing them to make them feel committed and attached to the organization.

These four functions and their constituent sub-functions have changed over the years, in response to changes in the social and political environment of business, and as a result of new developments in management thought.

Summary:
1   Human resources is:
    ○   One of the most valuable and unique assets of an organization
    ○   Most complex and challenging fields of modern management
    ○   Characterized by greater freedom support to the employee
2   HRM is a process that consists of four functions – acquiring, developing, motivating and retaining human resources.

HISTORY OF HUMAN RESOURCES MANAGEMENT

In this chapter, you will:
- Understand various approaches since the Industrial age
  - Scientific Approach
  - Human Relations Approach
  - Human Resources Approach

There is a vast difference between modern HRM and the personnel management that was prevalent decades ago. By the end of the twentieth century, the managerial philosophy that has defined the personnel function has undergone radical changes. You will find that over the past eighty years, the scientific management approach and the human relations approach appeared and then disappeared too. The human resource approach has gained prominence in the recent times.

Scientific Management Approach
In the early 1900s, most business owners and managers believed that if you have to effectively manage employees, you had to ensure that they are constantly being supervised and forced to work. All employees were considered to be equal in terms of

productivity; when they failed to achieve the set targets they were disciplined or fired. The scientific management approach challenged these beliefs and suggested that managers adopt a scientific and objective approach to determine how work could be designed and carried out most efficiently. Fredrick Taylor, who is widely considered to be the father of scientific management, focused on the study of motions that were required for each job, the tools used, and the time needed to accomplish each task. Fair performance standards were then determined for each job, on the basis of such scientific data rather than on the superior's subjective judgment. Those workers whose output exceeded the standard were given additional incentive pay. Scientific management principles spread quickly and gained wide popularity at that time. However, the belief that formed one of the bases of scientific management, that workers were solely motivated by money, led to many problems.

The scientific management approach resulted in work methods and techniques that emphasized employee output. Taylor's time-and-motion studies replaced "rule-of-the thumb' work methods with the "one best way' to accomplish a task. This "one best way" to do the job involved a high degree of

standardization and usually required little mental effort. Workers had few opportunities to use their judgement or make their own decisions. Advocates of this approach pointed out that these were not serious limitations, as the average worker (of that time) did not have much formal education and employed minimum knowledge and skills in his work.

During the early years of the twentieth century, you will find that managers embraced the concept of the 'economic man', which suggested that a worker was basically motivated by economic gain and that financial incentives alone could maximize the worker's output. It was this concept that led Taylor to propose the differential piece-rate system where workers get a higher rate of pay for every unit of output that exceeds the daily output standard. Taylor expected the workers to maximize production in order to satisfy their one work-related need 'money'.

During the time, personnel departments of big manufacturing organizations had the traditional responsibility of recruiting, selecting, and training staff, and ensuring the health and safety of their employees. Nevertheless, the prime focus of their activities was the implementation of the scientific management techniques. Thus personnel staff conducted time-and-motion studies and fatigue studies; did job analysis and developed job specifications; and designed wage incentive programs. Many personnel departments supported welfare programs that addressed such needs of the workers like vacations, employee hygiene, job training, lunchrooms, company housing, employee loans, insurance plans and recreational programs. These welfare programs reflected the paternalistic attitude of the management. However, such practices were not very successful in bringing about behavioural changes and productivity gains to the extent desired by the management. This is why the employee welfare programs became less popular during the 1920s and 1930s.

Human Relations Approach
The Hawthorne studies, conducted during the 1930s and 1940s, forced organizations to shift their attention from the scientific management approach to the human relations approach. The results of these studies suggested that employee productivity was affected not only by the way the job was designed and the economic rewards but also if by certain social and psychological factors. In the course of their studies, Elton Mayo and F J Roethlisberger

found that the feelings, emotions and sentiments of employees were greatly influenced by such work conditions as group relationships and management support. These soft rewards in turn affected productivity. It was recognized that treating employees with respect would improve employee satisfaction and help in achieving higher productivity.

The growing strength of unions was also a major factor responsible for the shift to the concept of human relations. The rise of unionism gave workers the legal right to organize and to bargain collectively. The issues varied from wages and benefits to job security and working conditions. Though unionization led to the deterioration of labor-management relations in some companies, by and large it led to greater acceptance of the principles of human relations.

Although the human relations approach was instrumental in improving the work environment for many workers, it was not very successful in increasing their productivity and improving job satisfaction. The reasons for this were:

- This approach was based on an oversimplified concept of human behavior in an organizational setting. The assumption by the management that "a happy worker is a hard worker," is now found to be valid only for a part of the workforce.
- The human relations approach did not recognize individual differences. Each employee is unique and his or her wants, needs and values would be different. Moreover, something that motivates one worker may not have the same impact on another worker.
- The approach did not recognize the need for a job structure. It did not give adequate importance to procedures, standards and work rules that would steer employees towards the achievement of organizational goals.
- The approach failed to recognize other factors that could influence employee satisfaction and productivity, like performance management, career development, job enrichment and career planning. It assumed that good human relations alone was sufficient to foster a high level of motivation, which is not true in practice.

During the 1950s and 1960s, the human relations approach began to be seen as outdated, and was abandoned by many organizations. Though good

human relations are a significant organizational objective even today, you will find that it is no longer the predominant approach in guiding management of employees within organizations. It is now evident that many factors have to be considered in order to ensure high levels of employee satisfaction and productivity.

Human Resources Approach

Human Resources Approach

Organizations have now adopted the human resources approach, which treats the organizational goals and employee needs as being mutual and compatible, and which can be pursued in unison.

Research in behavioral sciences during the 1970s suggested that if you treat people as resources rather than as factors of production or as human beings who act on the basis of emotions alone, that would lead to real benefits for your organization as well as for the employee. The human resources approach is based on a number of principles, some of which are:

- Employees are assets to your organization. The time and resources employed in managing and developing them are an investment that your organization makes for better returns in the present and in the future.
- Policies, programs and practices must cater to the needs of employees and should help them in their work and also in their personal development.
- It is necessary to create and maintain a conducive work environment, to encourage the employees to develop and harness their

knowledge and skills for the benefit of the organization.

HR policies and practices should be in alignment with the goal of balancing individual and your organizational needs. This can be achieved through a mutual process where the organization and the employees help each other to achieve their goals, as represented in the following figure.

Summary:
1   Scientific Approach: involved the process of effectively managing employees by constantly supervising them and forcing them to work.
2   Human Relations Approach: suggested that employee productivity was affected not only by the way the job was designed and the economic rewards but also if by certain social and psychological factors.
3   Human Resources Approach: treats the organizational goals and employee needs as being mutual and compatible, and which can be pursued in unison.

FUNCTIONS OF HUMAN RESOURCES MANAGEMENT

In this chapter, you will:
- Understand your roles as a people manager
- Understand categories of HRM functions

As a manager, you must get things done through people. Individual goals and aspirations have to be in alignment with your organizational goals for the successful handling of a business. You should be able to utilize human and non-human resources to bring about this alignment and eventually achieve these goals. Handling of the human assets reflects your managerial capabilities. Managing people is one of the biggest challenges for you or any manager, for the following reasons:

- Individuals differ from each other in terms of their values, attitudes, beliefs and culture. This leads to a very complex situation in an organizational context.
- The stimulating and motivational factors might not be the same for all the employees. It is important to understand the individual needs of these employees and cater to these needs.
- The expectations of employees of today are much greater when compared to the employees of yesteryears. They know they are valuable assets and demand to be treated as such.

You must understand and accept the fact that individuals, and not organizations, create excellence. The famous American industrialist, John D Rockefeller once said, "I will pay more for the ability to deal with people than for any other ability under the sun". This explains the importance of the human element in organizations. Underlining the significance of the human element in the production process, Peter F. Drucker says that "man, of all the resources available to man, can grow and develop." However, there are still many unanswered questions about how to establish the right climate for enhancing employee motivation and commitment.

HRM functions can be broadly classified into two categories:
1. Managerial functions
2. Operative functions

Managerial Functions
Managerial functions of the human resource department are planning, organizing, staffing, directing and controlling. All these functions have an

impact on the operative functions, as shown in the following figure.

Planning:

In planning you formulate the future courses of action. Planning includes determining in advance the personnel programs and changes required that would contribute to the achievement of organizational goals. It also includes identifying human resource requirements and forecasting personnel needs foreseeing the changes in employee attitudes and evolving effective ways of handling these changes.

Organizing:

In organizing you establish an intentional structure of roles for people in an organization. Structural considerations such as the chain of command, division of labor, and assignment of responsibility are part of the organizing function. Careful organizing ensures effective use of human resources. According to J L Massie, an organization is a "structure and a process by which a cooperative group of human beings allocates its task among its members, identifies relationships and integrates its activities towards a common objectives". The organizing function establishes relationships among
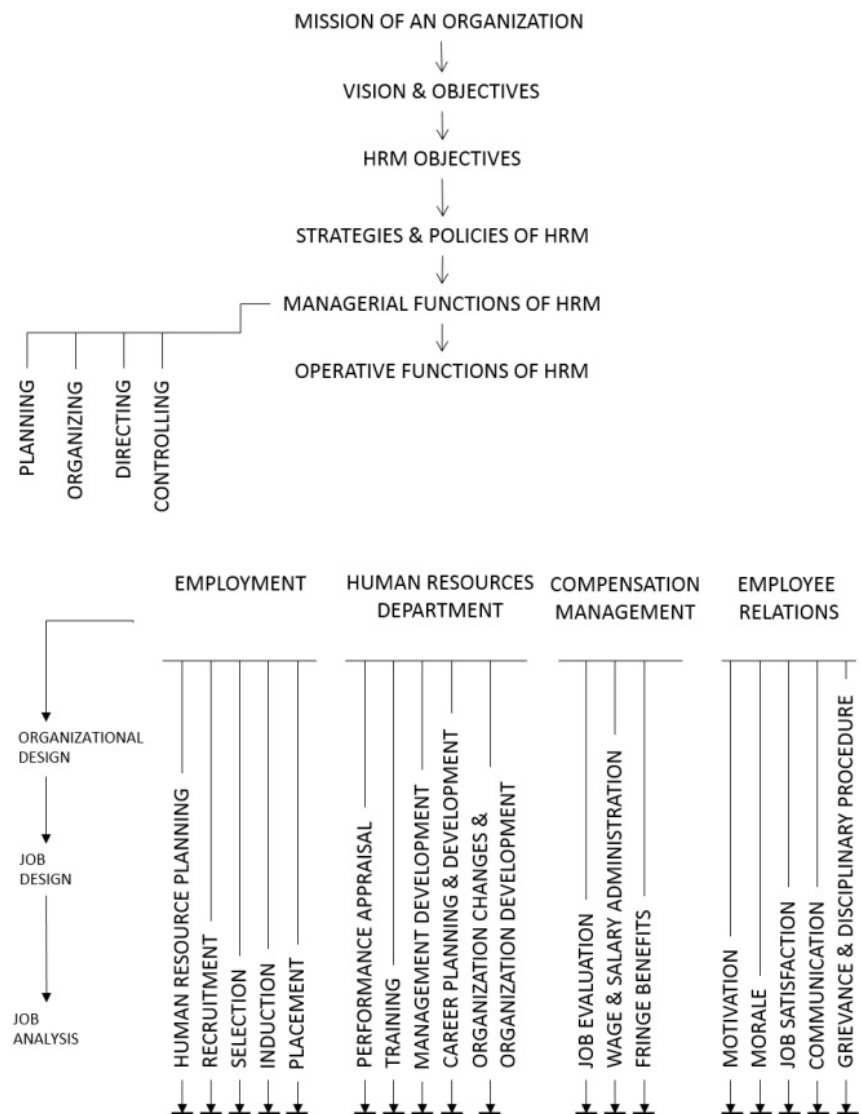
Functions of Human Resources Management

employees so that they can contribute collectively towards the attainment of an organization's goals.

Staffing:
In this process you obtain and maintain capable and competent personnel in various positions at all levels. It broadly encompasses manpower planning, recruitment, selection, placement, induction and orientation, transfer, career progression and separation.

Directing:
In this process you direct all the available resources towards the common organizational goals. Thus, direction is a vital management function which ensures maximum employee contribution and also helps in establishing sound industrial and human relations. It also involves coordination between different departments to ensure maximum utilization of all resources including human resources.

Controlling:
In control you measure and rectify activities to ensure that events conform to plan. This function measures performance against goals and plans identifies deviations and by placing the process back on track, helps in accomplishment of plans. Previous experiences and knowledge sharing help avoiding repetitive problems, reducing the need for controlling.

After planning, organizing, staffing and directing the various activities of HRM, you verify performance in order to ensure that the HRM functions comply with the plans and directions. Auditing training programs, analysing labour turnover record; directing morale surveys, and conducting exit interviews are different ways of controlling the HRM function.

Operative Functions
The operative functions of HRM are related to specific activities of HRM, viz., employment, development, compensation and employee relations. Since the human resource function is unique to each organization, the activities of the HR department differ from one organization to the other.

The various operative functions of HRM are discussed below:

Employment:
Employment is the first operative function of HRM. In this function, you procure and employ individuals

with suitable knowledge, skills, experience and aptitude necessary to perform various jobs. You perform various sub-functions such as job analysis, human resource planning, recruitment, selection, placement, and induction.

Job Analysis – To ensure the satisfactory performance of an employee, you need to see that his skills, abilities and motives to perform a job must match the requirements of the job. A mismatch will result in poor performance, absenteeism, turnover and other problems. Job analysis is the process by which the tasks which comprise the jobs are determined and the skills and abilities required to perform it successfully are identified. It is the process of studying and collecting information pertaining to the operations and responsibilities of a specific job. In job analysis, you:

• Prepare job description, job specification, job requirements and employee specification so that the HR manager can determine the nature, levels and quantum of human resources required.
• Provide the guides, plans, and basis for job design and redesign. Job analysis also forms the basis for all operative junctions of HRM.

Human Resource Planning:
In human resource planning you forecast the human resource requirements of an organization and the future supply of human resources. You also make suitable adjustments between these two in correlation with organizational plans. You assess the possibility of developing the human resources to match the requirements, by introducing appropriate changes in the functions of HRM. Human resource planning assures an organization of suitable and adequate manpower to perform various jobs in accordance with the organizational goals. In human resource planning, you:
• Estimate the present and future manpower requirements on the basis of long range plans and organizational objectives.
• Estimate the net human resource requirements on the basis of the present inventory of human resources, and take into account retirements, transfers, attrition etc.
• Take measures to mould, change and develop the existing employees to enable them meet the future organizational requirements.
• Develop action plans to attract and acquire valuable human resources from the market.

Recruitment:

To a large extent, the effectiveness of an organization depends on the effectiveness of its employees. Hence, recruitment of human resources becomes a significant HR function. Recruitment is the process where you seek and attract prospective candidates against a vacancy in an organization. In recruitment, you:

- Tap the existing sources of applicants and develop new sources;
- Identify or create new sources of applicants;
- Stimulate and attract the candidates to apply for jobs in the organization;
- Decide the recruitment procedure.

Selection:

The purpose of employment selection is to choose the right candidate for a job. The process in which you identify and establish the credentials of a candidate for a job to ensure success is referred to as selection. In this function, you:

- Scan the applications forms / CVs;
- Identify and develop suitable and reliable testing techniques;
- Involve the line managers or respective departments;
- Evaluate the candidates and fixing their salary and benefits;
- Formulate medical fitness policy and examination procedures;
- Intimate the candidates, even the ones who are not selected, about the results of the selection process;
- Employ the selected candidates.

Placement:

After a selected candidate conveys his acceptance of the offer of employment made by an organization, his placement has to be decided based on the needs of the organization. The individual's needs also have to be given due consideration where possible. In this function, you:

- Discuss the placement with the line/functional managers and identify a mentor for the new entrant.
- Conduct follow-up study and evaluate employee performance so as to determine how well the employer has adjusted to the job.
- Identify mistakes in placements and correct them.

Human resources development

Human Resource Development (HRD) is the process in which you train and develop employees to improve and update their knowledge and skills, so as to help them perform their jobs better. The process also includes developing their attitudes, beliefs and values to match the organizational needs. HRD has to be a continuous process and should take into consideration both the present and future organizational requirements. HRD includes performance appraisal, training, management development and career planning and development.

Performance appraisal – In this process, you evaluate the performance of an employee on the job and develop a plan for improvement. This includes an assessment of the strengths and weaknesses of the employee, and drawing up a development plan in consultation with him to prepare him for future tasks and responsibilities in the organization. Performance appraisal includes:

- Designing a performance appraisal system that suits the organizational needs and culture;
- Developing suitable methods to ensure that the system works successfully;
- Training all the employees in conducting appraisals;

- Implementing the system effectively and maintaining records;
- Obtaining feedback on its effectiveness and making timely and necessary changes.

Training:

In this process, you systematically develop knowledge, skills and attitudes required to perform a given task or job successfully, in an individual. It includes:

- Identifying the training needs of the individuals, keeping in view the organizational needs.
- Designing suitable training programs to eliminate the gaps in knowledge, skill or attitude.
- Conducting training programs, or providing support to other departments in conducting training.
- Evaluating the effectiveness of the training programs and making necessary changes.

Management Development:

In management development, you develop the employees of an organization to meet future changes and challenges. It includes forecasting the human resource demands of an organization and

gearing up to meet these demands. Management development looks at enabling an employee to develop his overall personality and his capability for continuous improvement. It is different from training, where the employee is taught a set of specific skills or imparted knowledge on a particular subject.

Career Planning and Development:

In career planning, you identify one's career goals and formulate plans of reaching them through various means like education, work experience etc. Career development looks at individuals' goals from the point of view of the organization, where as career planning looks at the same from the individual's view point. Hence it is important that career planning and career development reinforce each other.

Compensation

Compensation includes all the extrinsic rewards that an employee receives during and after the course of his job, for his contributions to the organization. The principles of compensation payment are that it has to be adequate, equitable and fair to the employees. Compensation encompasses base salary, incentives, bonus and benefits and is based on job evaluation.

Job evaluation: In job evaluation, you systematically determine the value of each job in relation to other jobs in the organization, in the industry and in the market. In other words, job evaluation involves classifying a job based on its importance and its contribution to the organization and its requirements. It involves

- Identifying/designing suitable job evaluation techniques;
- Evaluating various jobs;
- Ascertaining the relative worth of jobs in various categories.

Wage and salary administration:

In this process, you formulate and operate a suitable wage and salary program. It includes:

- Conducting wage and salary survey in the market and in the industry;
- Determining wage and salary rates on the basis of various factors like law, equity, fairness and performance;
- Implementing wage and salary administration programs;
- Evaluating the effectiveness of these programs.

Incentives:

Incentives are the rewards an employee earns in addition to regular wages or salary based on the performance of the individual, the team or the organization.

Bonus:

Bonus is primarily a share in the surplus or bounty and is directly related to the organization's performance.

Fringe benefits:

Fringe benefits are those monetary and non-monetary benefits given to employees during their employment, and sometimes, in the post-employment period also. These benefits are connected to employment with the organization and are not related to the employee's performance. These benefits provide a sense of security to the employee and keep them committed to the organization. Some of the fringe include:

- Disablement benefits
- Housing facilities
- Canteen facilities
- Conveyance facilities
- Educational facilities for employees and their children

- Credit facilities
- Recreational facilities
- Medical and welfare facilities
- Post-retirement benefits
- Company stores
- Legal aid.

Employee relations

In employee relations, you deal with the employees in the organizational context, as a social group that contributes to the organization. It includes:

- Increasing employee productivity;
- Keeping the employees satisfied and motivated; Developing team building, team management and leadership skills in employees;
- Designing and implementing a fast and suitable grievance management system;
- Ensuring discipline among the employees by prompt action to correct deviations;
- Supporting employees by counselling and developing them into complete individuals and responsible citizens;
- Enhancing the quality of work-life and personal life of the employees.

The relationship between an employee and his manager plays a critical role in determining the job

satisfaction level of the employee. Ideally, an average employee desires his manager to possess the following characteristics:

- Be genuinely interested in the employee and his work;
- Lend support and guidance whenever required;
- Bring in clarity in terms of the of responsibilities and tasks;
- Identify the strengths and suggest how to build on them;
- Identify the weaknesses of the employee and encourage him to overcome them;
- Take a personal interest in the employee and his problem;
- Be willing to listen and accept concrete and valuable ideas;
- Reward the employee for his contributions;
- Have faith and confidence in the abilities of the employee;
- Be frank and open in his dealings with the employees as well as the organization.

Summary:

1. Managerial Function includes:
   - Planning
   - Organizing
   - Staffing
   - Directing
   - Controlling
2. Operative Function includes:
   - Employment
     - Job Analysis
     - Human Resource Planning
     - Recruitment
     - Selection
     - Placement
     - Induction
   - Human resources development
     - Performance appraisal
     - Training
     - Management Development
     - Career Planning and Development
   - Compensation
     - Job Evaluation
     - Wage and Salary Administration
     - Incentives
     - Bonus
     - Fringe Benefits
   - Employee Relations

HR POLICIES AND PROCEDURES

In this chapter, you will:
- Understand various HR policies and procedures
- Understand the Emerging Role of Human Resource Management

Using HR policies, you define the role of the HR department in an organization. These policies are derived from the organizational and HR objectives and guide the decision-makers. They should aim at achieving both employee satisfaction and organization objectives, without any conflict between the two. The HR policies of an organization should be based on ground realities and be employee-friendly. HR policies that are based on individual decisions of some top management staff would lead to employee frustration and their subsequent alienation from the organization.

HR policies can be defined as the set of guidelines that helps you determine the way in which employees are to be treated in the organization. They are based on the organizational culture and the external environment, apart from the organizational objectives. For example, if an organization believes that its employees are its most important assets and that it needs to keep them happy, then its HR policies would be employee-friendly. Similarly, if an organization's goal is to grow rapidly in the market on the strength of its employees, this would be reflected in its policy to train and develop and invest in the employees. However, in an organization where human resources are treated as just factors of production, the HR department would have a very limited role to play. In a competitive environment, where companies are all vying for the same talent, the responsibility and demands on the HR department are immense.

Good HRM policies enable you and the management to keep the workforce secure, satisfied and motivated. They also help in deriving better employee performance, in better management and also in cost-savings. For example, the organization's policy on rewarding performance would enable the organization to get higher standards of performance from its employees and also keep them motivated. HR policies also help in maintaining uniformity in administration across different units and departments in the organization, as the guidelines are already set. They lead to better control and coordination. For example, the leave policy keeps

track of employee regularity and the transfer policy of the organization supports better organizational management.

HR policies need to find a balance between a number of factors like organizational objectives, individual expectations, market demands, etc. Therefore, you will find them difficult to formulate and implement. In other cases, the positive aspects of a policy could get shrouded by individual fallacies at the implementation stage. In some other cases, a policy designed earlier might no longer be relevant or desirable. HR policies need to be updated to match the changing needs of the organization and the employees. For example, in earlier times, pay was linked to the length of service but in today's highly competitive environment, it is related to employee and organizational performance.

HR policies should be easy to understand and implement. You should ensure that they favor the employees of the organization and not leave room for any discrimination among them. For example, if the performance appraisal policy of the company implies that everything is in the hands of the immediate superior, then it might lead to a host of problems like individual biases of the boss, special favors, employees concentrating on pleasing the boss and unhealthy competition. HR policies should therefore be designed and implemented with utmost care.

HR procedures help you and the management in implementing the HR policies. They are specific applications or actions. For example, suppose the performance policy of an organization states that performance is to be rewarded. The procedure that aids in implementing this policy is payment of annual /quarterly incentives based on employee performance.

Emerging Role of Human Resources Management (HRM)
In the changing times, it has become evident that it is the human resources of an organization or a country that can lead it on the path of success. It is the competencies and attitudes of the human, resources that can make or break a business. The business of attracting and retaining talent and nurturing it has become imperative for the development of an organization. Innovative and proactive HR managers have been defining new boundaries of HRM. The turbulent and dynamic markets and the changing values and expectations of the workforce have made

the earlier concepts of personnel management irrelevant. A new strategic role has emerged for HRM – that of a key player, to make the organization survive and succeed in a highly competitive business environment.

Value of Human Resources:

The human resources of a country play a vital role in determining its progress and prosperity. Even a nation with rich physical resources will not develop, if its human resources are inadequate. A nation rich in its human resources can develop fast and a developed nation enriches the quality of its human resources; this is a cyclic process. In this modern age of technology and globalization, quality human resources is an important contributor to the well-being and development of a nation.

Human resources - A competitive advantage:

Business has become knowledge based, service oriented, competitive and more dynamic in this new age. You will find that the quality of human resources has become an essential factor in determining the success of any organization. According to Adi Godrej, Chairman and Managing Director, Godrej Consumer Products Ltd., "all corporate strengths are dependent on people." Human resources of an organization is an unique asset to the organization and is essential for a business to gain competitive advantage over its competitors. Hence, there is a need for effective HR professionals and workers in the market.

HRM Guru - Eric Flamholtz (Born: 1943)

Human resources accounting:

In the words of Eric Flamholtz a renowned HR consultant and a Professor at Anderson Graduate School, human resources accounting is defined as

"accounting people as organizational resources. Human resources accounting is measurement of the cost and value of people for an organization." Till recently, people were not accounted as resources and no value was attributed to their contribution. However, in recent ages, the criticality of the contributions of human resources have been acknowledged and recognized. Hence, the concept of attributing an appropriate value is the worth of human resources of an organization has become popular. Human Resource Accounting helps management to value its human resources and use it with discretion and wisdom. It also provides essential information to the management to maintain and develop its important resources. Hence, human resources accounting considered to be an appropriate control technique.

Summary:
HR policies should:
1   enable you and the management to keep the workforce secure, satisfied and motivated.
2   help in deriving better employee performance, in better management and also in cost-savings.
3   need to find a balance between a number of factors like organizational objectives, individual expectations, market demands, etc.
4   need to be updated to match the changing needs of the organization and the employees.
5   should be easy to understand and implement.
6   help the management in implementing the HR policies.

ROLE OF HR EXECUTIVES

In this chapter, you will:
- Understand the different roles of HR executives

HRM is a part of every manager's job. Let us look at the different roles and responsibilities of HR managers in this context. However, it has to be noted that in a dynamic working environment, the boundaries of any role cannot be clearly defined; therefore, the following should be considered only a broad outline. The specialist role of the HR manager takes a number of forms:
- Service Provider
- Executive
- Facilitator
- Consultant
- Auditor

The Service Provider
As a manager, you need information to make decisions on various employee related issues like deployment of personnel. An HR specialist can help by providing information on market statistics of personnel availability, pay rates etc. HR specialists

can also interpret the complex labor laws and legislations that are applicable in day-to-day work.

Role of HR Executives

This categorization of the work of an HR specialist is not definitive. As mentioned earlier, there will often be an overlap between the different roles HR professional must assume. For example, in the area of advice on legislations concerning employment, there is often little distinction between 'service' and 'consultancy'.

The Executive
Though HRM is a part of every manager's job, yet HR specialists typically carry out certain HR activities like recruitment, compensation, etc.

The Facilitator
A large number of organizational activities require an HR professional to play the role of a facilitator. For example, HR acts as a facilitator when training and development activities are planned and conducted and performance appraisals are done. One of the responsibilities of an HR specialist is also to ensure that other managers who undertake such activities are well equipped to do so.

The Consultant
As a manager, you may face many problems while supervising employees. These problems may be due to lack of motivation, lack of training, a job misfit or grievances related to pay. You may seek the advice of HR specialists to resolve such problems smoothly. Thus, the HR professional plays the role of an internal management consultant in this area.

The Auditor
HR specialists are responsible for ensuring that all members of the management perform their respective roles concerned with the effective use of human resources.

Summary:
1 The service provider: provides information on market statistics of personnel availability, pay rates etc.
2 The executive: carry out activities such as recruitment, compensation, etc.
3 The facilitator: acts as a facilitator when training and development activities are planned and conducted.
4 The consultant: provides advice related to lack of motivation, lack of training, a job misfit or grievances related to pay, etc.
5 The auditor: audits roles of the management members

CHALLENGES TO HR PROFESSIONALS

In this chapter, you will:
- Understand the various challenges faced by HR professionals

The business environment has become very fluid and turbulent in the recent times. The markets have become very competitive and businesses have been forced to become more service-oriented. In this scenario, it is a very challenging task to attract, mould, develop and retain (or retrench) valuable human resources. The expectations of the employees have also increased as more and more of them belong to the category of knowledge workers. They are in demand and they are in a position to choose their employer, and none except the best would do. (Refer for challenges to HR professionals).

Worker Productivity
In today's highly competitive markets factors like world-class quality, flexible manufacturing, and shorter product development cycles are not competitive advantages but prerequisites for survival. Companies are reinventing themselves to stay ahead of the competition. One of the major steps taken in this direction is a complete revamp of organizational culture and structure. Tall hierarchies and communication barriers have been dismantled. Business decisions are no longer taken within the confines of the board rooms. You will find that they are taken in the place of work, on the shop-floor and in the market, because that's where the action is. This new concept of empowerment gives the employees a feeling of belonging and commitment towards the organization. The fact that they are accountable for their decisions makes them more responsible and keeps them motivated to better their performance.

Many HR professionals are leading the workplace revolution. They have infused fresh life into the old and archaic systems which are no longer relevant. They prod their employees to be more creative, proactive and outgoing. Many managements are willing to take the risks involved in giving more autonomy and responsibilities to their employees. They are confident of their employees and their capabilities. Self-managed teams are now common and have replaced supervisors in many competitive companies. The old concept that all people-related problems are problems of the HR department is no longer valid. As a line manager, you can no longer ignore people-issues. You have to manage people if

you have to manage the work in your respective department. The HR department is a facilitator providing the support required by the line managers on any personnel related issue.

Are the HR Professionals Ready?

A look at the trends in managing people in these dynamic market situations show that attracting, managing, nurturing talent and retaining people have emerged as critical issues. In view of the enormous opportunities being spun off the market, managing people has become the main business for any organization. The new avatar of an employee is that of the knowledge professional who is innovative, business savvy, quick on the uptake, has an instinctive ability to network, and possesses unbridled ambition. He is propelled by an urge to experiment and continuously scans new avenues that can spur his creativity. The knowledge professional would prefer an organization that is flexible, has strong values, robust performance ethics and provides challenging work on latest technology. This has led to companies proactively taking new initiatives on three fronts. First, companies create an organizational ambience where talent can bloom. Second; they put in place systems that help unleash the employee potential and third,

they build a reward and recognition mechanism that values people and performance.

Quality Improvement

For the past several years, the term "quality" has been a popular corporate buzz word. Every company has to continuously strive to improve the quality of its products and services if it has to survive in the highly competitive market. It is disastrous to be complacent with quality; every competitor is trying to do better than the others. Customers have become more quality conscious and are always on the lookout for the best bargain.

A quality orientation requires a significant change in corporate culture. Quality is all pervasive and affects all the departments. For a company to strive for excellence in quality, all its employees and the top management should have a strong commitment to, the concept of quality. In today's world, all the companies have woken up to the reality of "excellent quality" and are gearing up to meet the quality challenge. If some companies are striving to meet the global quality standards, leaders like GE are setting these standards. Jack Welch, the former CEO of GE recognized the importance of 'quality' almost two decades back, when most of the companies

were unaware of the sweeping changes of a global market that would soon emerge. Welch predicted that the Japanese companies, which were very quality conscious, would shake up the American markets. He made 'quality' the mantra for the employees of GE. It took sometime for the employees to accept and understand the concept as they were uncertain as to why Welch was bent upon improving the quality standards which were already the best in the American industry. They realized the importance of Welch's proactive step when most of the American companies lost their market share to the Japanese players. GE however, managed to regain its leadership position thanks to its early adoption of the 'quality mantra'.

The important factors in quality improvement are listed below under "Key Characteristics of Successful Quality Improvement Programs". However, one common prerequisite for the success of such programs is the strong organization-wide commitment to the program at all levels and across all functions. This has to come down from the top management and should trickle down through all employee levels.

The Changing Attitudes of Workforce
One of the first cost-cutting measures adopted by any company to improve its bottom line, is downsizing. Many companies believe that it is important to be lean and mean to survive in a competitive market. The concept of 'job security' has become outdated as no employee knows when he might be asked to take leave and search for another job. Employees have also realized the turbulence of market dynamics and are no longer as loyal to their employers as they used to be. They are on the lookout of better opportunities and would never lose a good deal due to commitment to any one organization.

You will find that the markets across the world have opened up and it is now one single global market, which is very diverse and complex. A lot of employees are moving around the world in pursuit of their career and organizational goals. A Korean might be working in India for his company and a Japanese might be working in the US on a project. This workforce diversity has been a major challenge for the organization. A study by 'The Families and Work institute' showed that people prefer working with people belonging to the same race, sex, gender, and level of education as this is what they have been

used to. But, the survey also suggested that once people were exposed to and became used to working with diverse work groups, they preferred to work in such an environment.

Most companies are attempting to eliminate discrimination based on religion, caste, creed, gender, ethnic background etc. at the work place. They are striving to develop a more open and cosmopolitan culture to encourage all employees to succeed. Gender discrimination is no longer as pervasive as it used to be say, twenty years ago. We see more and more companies encouraging their female employees to compete with their male counterparts. The glass-ceiling effect, though still evident in some companies, has become less prevalent in the more progressive companies. One of the best examples of an Indian company providing equal opportunities to male and female employees is ICICI Bank. (See Case Study section below.)

With more single parents, dual career couples, and a growing population of elderly people, balancing the demands of family and work has become a major challenge for the typical Indian worker and his employer. This is forcing companies to become more family-friendly. Companies like Eicher and Oil & Natural Gas Corporation Ltd. (ONGC) have realized that a family-friendly environment acts like a competitive weapon. This has resulted in low absenteeism and turnover, and improvement in efficiency. Eicher for example, helps its employees with their house-hold chores like payment of their electricity bills so that they need not waste their time standing in long queues. ONGC encourages its employees' children by rewarding them with merit scholarships.

'Flexible work hours' is one of the major demands of the knowledge workers today. You will find most of the companies, especially the IT companies do cater to this need of the employees. Many female employees have the responsibility of rearing their children when they are young. In fact, most of the employees would have some responsibilities, either towards their ageing parents or towards other family members. These employees do not want to lose out on the career front because of their personal responsibilities and would do quite well in a flexible work environment. In fact, this flexibility can prove to be more productive than strictly binding office hours as the employees feel more relaxed and respected. The concept of "working from home" is also slowly

catching up and more and more organizations are looking at providing this option to their employees.

Key Characteristics of Successful Quality Improvement Programs:
- Education and training (problem solving, technical improvement including hands-on training, case studies, role playing).
- Teamwork (especially across functional areas).
- Total systems approach.
- Employee involvement (at all levels of the organization).
- Top management commitment and encouragement.
- Establishment of customer-driven standards.
- Long-term perspective.
- Allocation of resources to the program.

**Case Study: Woman Power at ICICI Bank**

In some of the global corporations like Pepsi and Hewlett Packard, women managers have been able to reach the top rungs. Today, in India, even though a large number of business family groups and professional organizations have women managers at the top, ICICI Bank stands out as a unique organizations that has created an entire cadre of women at the top through a culture of equal opportunity. Consider: Against a mere 4 percent representation in senior positions in Fortune 500 companies, the women managers of ICICI Bank occupy about 40 per cent of the corner offices in positions above the level of assistant general managers. Three out of a total of seven executive directors at the ICICI board are women. How has ICICI Bank created this unique organization? Says MD & CEO KV Kamath, "The significant number of women in our top-end senior management is essentially because we run a meritocracy at ICICI Bank."

"An employee is judged, rewarded, penalized purely on the basis of merit and his/her ability to perform. A job is assigned to the person who can deliver the best and gender is never even a consideration," says executive director, Chanda Kochhar. "It depends on the individual, depends on how dedicated you are. If one expects to be treated differently because of gender, it is never entertained," says joint managing director, Lalitha Gupte. We firmly believe in the Darwinian theory of the survival of the fittest," adds executive director, Kalpana Morparia. A person is evaluated on the basis of what he or she is bringing to the table.

Quality of Work Life

Quality of Work Life (QWL) refers to the extent to which an employee's work meets his professional needs. As an employee you have some expectations from your work, like a sense of satisfaction or achievement, security, a high self-esteem etc. The quality of work life gets better when more and more of these needs are satisfied. Organizations in today's world are continuously striving to improve the quality of work life for their employees by making work more rewarding, reducing employee's anxieties, encouraging employee participation in work and employment-related decisions, and team building.
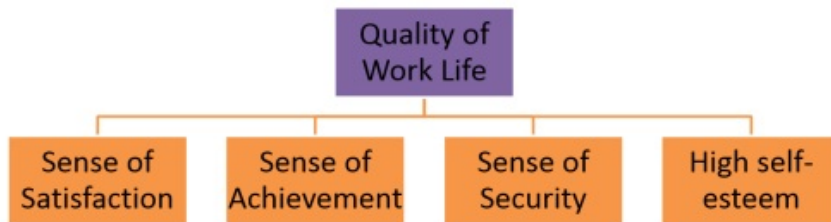
Quality of Work Life

Evidence has shown that improvements in QWL have a positive impact on organizational performance and help organizations to compete in the global marketplace. The Japanese, who are staunch supporters of the QWL approach, design work around teams and lay stress on a strong organizational culture.

Technology and Training

Technological changes have been rapid and radical in the recent times. For example, the use of wireless and cellular technology was very limited till less than a decade ago. Today, you will find that most companies using such technologies for faster and dependable decision making. The use of computer technology for better data management and communication is now pervasive in all the organizations. Till a few years ago, most of the government organizations and public sector banks were apprehensive of taking to this new technology. Now, even such organizations are quick to adopt new technologies.

All this became possible because the organizations have realized the importance and benefits of new and better technologies." They have decided to invest in such technologies and also train their employees in adapting to this new technology. Training and development of employees has to be a continuous process in any organization, if it has to survive and progress.

Summary:

Challenges of Today's HR Professionals include:

1. Worker productivity
2. Quality Improvement
3. Changing attitudes of the workforce
4. Quality of work life
5. Technology and training

STRATEGIC HUMAN RESOURCES MANAGEMENT

In this chapter, you will:

- Understand the importance of Strategic Human Resource Management

Strategic management is the management of the available resources to achieve the conception and implementation of new HR initiatives required to accomplish long-term and short-term goals of an organization, in a dynamic and competitive environment. According to Arthur Thomson, Jr. and A J Stricklard III, "business strategy is management's game plan. Management would not have a road map to follow or an action plan to give desired results without a business strategy?"

Strategic Human Resource Management is the optimum utilization of human resources to achieve the set goals and objectives in the business environment. This has to be in alignment with the organizational strategy and in tandem with the strategies of other functional areas like finance and marketing. Objectives are achieved and visions realized only when this synchronization takes place.

In strategic HR planning, you design HR goals in alignment with the goals of the organization, identify the human resources required to achieve these goals and then develop these resources internally or acquire them from outside. It also includes the conception and implementation of new HR initiatives required to accomplish organization goals.

Strategic Human Resources Management

In an industry like the IT industry, which depends more than anything else on its human resources and their competencies, strategic human resource management is especially important. Here, the planning of resources, acquiring them, developing them and retaining them, all in a highly competitive market and is a challenging job. For example, a second rung IT firm may decide to recruit most of its employees from Tata Consultancy Services, a company which invests a lot in training its fresh recruits. This company, because of its strategy of poaching from other companies, has trained talent ready to perform from day one and needs to invest very little in training fresh recruits.

Summary:
1 Strategic Human Resource Management is the optimum utilization of human resources to achieve the set goals and objectives in the business environment.
2 Strategic HR planning involves:
    ○ Designing HR goals in alignment with the goals of the organization
    ○ Identifying the human resources required to achieve these goals and then
    ○ Developing these resources internally or acquiring them from outside.

INTRODUCTION TO INTERNATIONAL HUMAN RESOURCES MANAGEMENT

In this chapter, you will:
- Understand the importance of International Human Resource Management (IHRM)
- Understand the approaches and features of IHRM

"The Jack Welch of the future cannot be me. I spent my entire career in the United States. The next head of General Electric will be somebody who spent time Bombay, Hong Kong, in Buenos Aires. We have to send our best and brightest overseas and make sure they have the training that will allow them to be the global leaders who will make GE flourish in the future" – Jack Welch, in a speech to GE employees.

You will find that the concept of 'globalization' has become quite popular in recent times. More and more organizations the world over have crossed domestic borders to enter the world of international business. International business is characterized by large companies, fierce competition and greater challenges. The greatest challenge of an international business is to operate and operate successfully in different economies and cultures in different parts of the world. Some Multi-National Companies (MNCs) import raw material and machinery from one country, build their plants in another country and export their product to a third country. For all this, they employ people from other parts of the world. This explains the extent of complexity involved in international business.

Many cross-border trade agreements like GATT (General Agreement on Tariffs and Trade) and WTO (World Trade Organization) have helped in removing trade barriers between countries and bridging the distance between them. The world seems to have become a very small place. The concept of domestic business is disappearing and the concept of global business has gained importance. This has given rise to the concept of 'glocal business'. Modern businesses need to have a global perspective and adapt themselves to the fast moving international business scenario. They cannot afford to restrict themselves to local markets and still expect to flourish. However, they do need to customize their products and services to match the needs of local customers when operating in other countries.

An organization has to adopt decentralization if it wants to enter into and operate successfully in global

markets. In fact, creating a global business or transforming a domestic business into global business involves one of the most complex forms of decentralization. In decentralization, you manage human resources with varied backgrounds, a wide variety of customers and suppliers and of course adapt to the respective local demands and culture. The management of human resources in an international business is known as International Human Resource Management (IHRM). The countries that the firm chooses to operate in, can be different in terms of their culture, language, economic situation, political and legal systems. Management style and conventions can also be different in each of these countries. Therefore, it is not easy for a firm to globalize its business.

Concept of IHRM

International Human Resource Management is the management of the human resources of an organization in the context of international business. The complexity of managing people increases as an organization spreads its wings and becomes global. The challenges are higher and the hurdles, bigger for an organization which operates in different parts of the world. Hence, with globalization, there has been an increased stress on IHRM. There are four strategies which are adopted by firms with international operations – the multi-domestic, the international, the global and the transnational. Multi-domestic firms try to create value by emphasizing local responsiveness; international firms, by transferring core competencies overseas; global firms, by realizing experience curve and location economies: and transnational firms, by doing all these things simultaneously. In some ways, "think globally, act locally" is a good definition of a transnational strategy. In this chapter the terms 'international' and 'global' have been used interchangeably to mean a business or an organization, which operates in different countries of the world.

According to Morgan, IHRM is defined as "the interplay among three dimensions - Human resource activities, type of employees and countries of operations". He has presented a model of International HRM that consists of these three dimensions. The three dimensions are:

1   The three broad categories of HR activities, namely procurement, allocation and utilization of human resources, which encompass the basic activities of human resource management.

2 The three national or country classifications involved in the international business of the organization: The home country where the company has its headquarters or corporate office, the host country in which a subsidiary may be located and "other" countries which can be sources of finance or labour.

3 The three categories of employees of a global company are the parent-country Nationals (PCNs), the host-country nationals (HCNs) and the third-country nationals (TCNs). For example, Infosys employs people of Indian origin (PCNs) in its Japanese operations and at times sends employees of US origin (TCNs) to work with their counterparts in European countries (HCNs) on specific assignments. Following figure represents the model of IHRM.
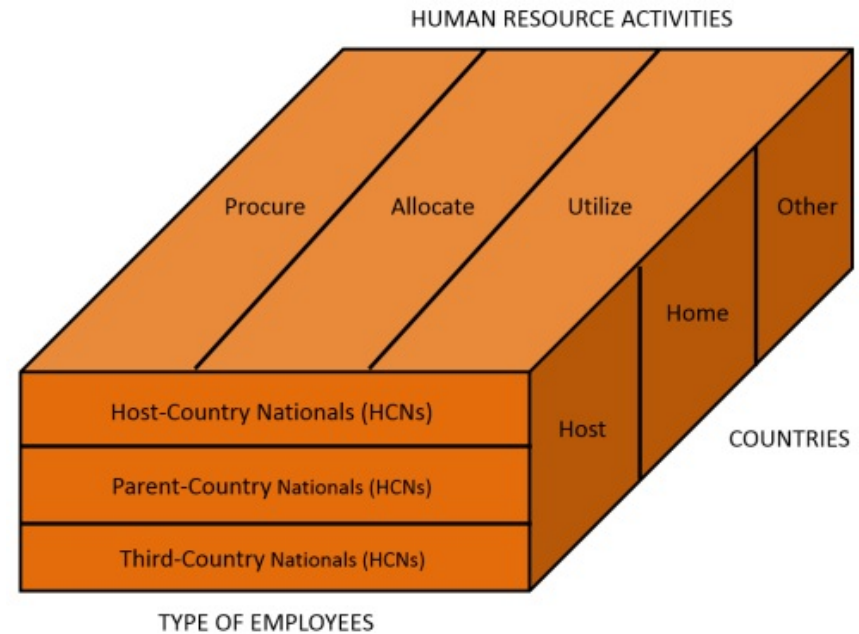
Model of International Human Resources Management

International HRM includes all the activities of domestic and more. The challenges of managing in different cultures, different social, economic, legal and political systems, all had to the complexity of the task. The responsibility of ensuring a basic uniformity of structure, operations, policies and benefits across different business units spread across the world and ensuring employee satisfaction, makes the role of the HR manager extremely critical and difficult too.

Azim Premji says, "People, processes and practices must straddle cross-cultural gaps."

Evidence shows that failure in global ventures is due to lack of understanding in managing the varied requirements and expectations of employees across different cultures. It is essential to understand that what has proved to be successful in the domestic market need not necessarily be successful in the

international market. The rules of the game are completely different and so should be the style of playing the game. One of the most important differentiating factors between international and domestic HRM is "human resources' or the employees. Employees from different backgrounds have different requirements and expectations. It is important to understand and cater to needs of the employees instead of implementing a uniform policy for employees from different countries. Another important differentiating factor is the socio-politico-legal system of the country the firm is operating in. The HR manager should realize the implications of working in a different system and culture and act accordingly.

In the current scenario of business management, not many firms can afford to restrict themselves to the local market. Globalization of business has become the order of the day and almost all firms, irrespective of their size, are being exposed to the international business environment. Large and well-established businesses find it is impossible to operate merely at the local level.

Case Study - Global Operations of TCS
Tata Consultancy Services (TCS) offers end-to-end strategy consultation and system integration services to Fortune 500 clients across 55 countries. With over 100 offices in 32 countries, TCS employs 24 000 consultants and has 100,000 man-years of experience. The company posted revenues of Rs. 5,012 crore ($1.04 billion) in 2002-2003.

Today about many ten thousands of people, many of them local recruits work for TCS in foreign countries. This is a great change from the late 1990s, when a workforce, although globally mobile, was still largely Indian. It is advantageous to have local people manning offices, especially in non-English speaking markets like China, Hungary and Spain, says Mr. Mahalingam, Exec. VP, TCS.

Generally, TCS employs local people with 15-20 years of experience at senior-level positions. "Local recruits have to understand our unique value propositions, our processes and our approach" emphasizes Mr. Mahalingam. "As part of the training, the foreign talent is brought to India and taught the values that TCS stands for. Knowledge of industries such as banking, insurance, healthcare, etc is also shared

with them so that they can get a feel of the organization."

TCS realized early in the game that it had to be a global player and not just focused on the United States. The company had spread its reach to Britain, Switzerland and the Netherlands by mid- 1970s. Its operations in Singapore began in 1978 and that in Australia by 1979. "We were servicing multinationals, which meant that we had to be in all the markets our clients were in." says Mr. Mahalingam.
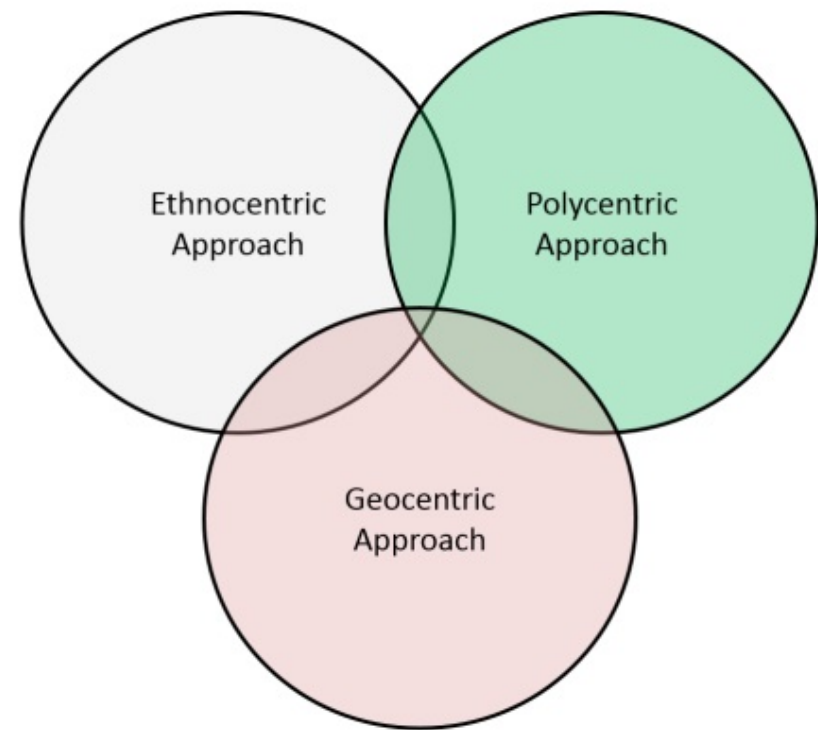
Approaches to IHRM

There are three different approaches to internationalization or globalization. These approaches can be extended to the globalization of human resource management in an organization. The approaches differentiate international firms in terms of their strategies, products/services and policies and systems. These approaches are discussed below.

Ethnocentric Approach:

You will find that ethnocentric approach is based on 'standardization'. Companies which follow this approach to globalization view the world as a single market place. Therefore, they prefer standardized structures and policies across all subsidiary units.

Approaches to International Human Resources Management

The top management at the local subsidiaries are appointed by the corporate office/parent company. MNCs prefer to appoint home country nationals

instead of locals in order to replicate the parent company's corporate culture in the subsidiary.

The basic advantage of this approach is that the transfer of knowledge from the parent to the subsidiaries is smooth and complete. The drawback of this approach is that it prevents international firms from understanding and adapting to the local culture.

Polycentric Approach:
Polycentric approach views the world as a differentiated market place and is based on 'customization'. It assumes that markets and cultures are different in different countries and their varying needs have to be catered to. Organizations which adopt this approach customize their strategies, products, policies and systems to suit the needs of the local markets. A major advantage of this approach is that: Companies benefit by adapting to the local culture. The disadvantage however is that the transfer of knowledge may be hindered due to the autonomy of the subsidiaries.

Geocentric Approach:
Geocentric approach is based on 'optimization'. In this approach, the organization identifies its best practices and resources from within and outside the organization and employs them where ever they are best suited. The organization identifies and appoints resources regardless of their nationality, for their optimum utilization. The top management at the corporate office or any subsidiary can consist of people from different cultures. The only disadvantage is that the training and relocation costs of managers are high in this approach to staffing.

Features of IHRM
The basic features of international HRM which differentiate it from domestic HRM can be discussed under the following heads:

1. Increased complexity of HR activities
2. Cultural awareness and tolerance
3. Stronger relationship with employees and their families
4. Different expectations and requirements of employees across cultures
5. Management of cross-cultural teams
6. Diluted risk on the business front and increased risk on people front

Increased Complexity of HR Activities:
The human resource department of an organization which operates in different countries has a lot more

to do, when compared to that of a firm which has only a local presence. Its extra responsibilities include employee relocation and orientation, administrative and other support services for expatriates, adherence to social and legal rules in the host nations, maintenance of relationships across borders, etc. Expatriates would need services of the HR department with regard to language, cultural understanding, taxation standards, etc., among other things. It is the responsibility of the HR department to ensure that that no employee reaps extra benefits nor loses his/her due benefits owing to a global assignment. In this context, it is important to see that employees perceive equity and uniformity in HR policies and their implementation.

Expatriates have to be imparted pre-departure training, provided information related to immigration and travel and assistance on housing, shopping, medical care, education and recreation as part of their relocation and orientation. It is important for the HR department to finalize compensation details in terms of the salary abroad, the various international allowances payable and the taxation liabilities of the employee. Global firms also need to provide administrative services to their expatriates operating in different host countries. Providing language translation services to the expatriates is another important responsibility of the HR department in a global organization.

Cultural Awareness and Tolerance:
It is very important that HR managers in global firms have good cultural awareness and cultural tolerance, to inculcate the same among the employees of the organization. This factor determines the success of an international organization in terms of people management. A survey of Fortune 500 firms showed that having competent global leaders is the most important factor in business success. Percy Barnevick, CEO ABB, says, "Global Managers have exceptionally open minds. They respect how different countries do things and they have the imagination to appreciate why they do them that way. In fact, for expatriates to succeed, this is more important than technical expertise. The below figure explains the features of a successful global manager.

Stronger Relationship with Employees and their Families:
The HR manager needs to develop a rapport with the expatriate and his/her family. The management of PCNs, HCNs and TCNs is just one aspect of HR management. When an employee gets posted in a

foreign country for a considerably long period of time, it becomes the responsibility of the management to arrange for the employee's family to accompany the employee to the foreign land. The services required by the employee's family can relate to banking, investments, housing, shopping, education of children, socialization, entertainment and other basic services. The role of the HR manager increases if the expatriate's wife also needs to have a career in the new country.

Qualities of a Success Global Manager

In the process of providing these services, the HR manager gets to know more about the employee's family and its needs. He develops a "strong relationship and rapport with the employee's family. This helps the employee's family trust the organization and the HR department for a secure and comfortable life in the foreign country.

Summary:
1   The concept of domestic business is disappearing and the concept of global business has gained importance.
2   International Human Resource Management is the management of the human resources of an organization in the context of international business.
3   Approaches to IHRM:
    ○   Ethnocentric
    ○   Polycentric
    ○   Geocentric
4   Features of IHRM:
    ○   Increased complexity of HR activities
    ○   Cultural awareness and tolerance
    ○   Stronger relationship with employees and their families
    ○   Different expectations and requirements of employees across cultures

- Management of cross-cultural teams
- Diluted risk on the business front and increased risk on people front

THANK YOU

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