

Strategic Human Resource Management in International Firms

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Strategic Human Resource Management in the Global Firm

The role of human resource management (HRM) has changed over the last years especially in the global business. It used to be considered as a support function, but HRM is turning to be a strategic partner in assisting an organization to attain its goals. The strategic approach to HRM means doing more than just payroll processing. According to (), strategic human resources is involved on managers need to think about how employees can contribute to the success of the company. Strategic human resource management (SHRM) is not just a responsibility of the HRM department; all executives and managers should be included because the responsibilities of people are critically important to a firm competitive advantage (Punnet & Shenkar, 2013). However, the greatest challenge that international firms face is how to coordinate scattered units around the world and the need to control every unit so that every issue local issue can effectively be addressed.

In the "*Handbook for International Management Research*," Betty Punnet and Oded Shenkar pointed out that achieving the balance of international firms is difficult because of the diversity to which each unit is exposed (p. 120). International firms operate under different conditions and are exposed to different cultural practices, and therefore, they cannot be handled the same way. Therefore, the best way to overcome the issue of coordination and control is by making sure that the top executive understands different cultural practices and diversity in the office and around the world. The top executive also provides advice on how different functions are coordinated across the boundaries to make sure that the objectives of the firm are achieved. [International Human resource management](#) (IHRM) has a critical role in ensuring that the right people are brought in to execute the coordination of different functions and control of employees overseas needed for the company across the globe for the company to perform better.

Research has established that coordination and control can be built through the training of top executives and any other personnel involved so that coordination and control functions can be executed well. The IHRM should make sure that top executives are trained on the organization's culture and diversity and must also understand the cultural practices where the units are located (Kidger, 2015). The training schedules should be developed in such a way that they involve international exposure (McDonnel and Collins, 2011). It will help in improving the cultural understanding of executives, managers and other employees, and therefore, the level of coordination and control shall improve. It will, therefore, help in overcoming the problem of coordination and

control of units since top executives will be culturally exposed, hence providing supervision roles competently and efficiently.

International HR Philosophy and the Alignment of Corporate Values

It is also important for a company to develop its international HR philosophy, which provides a description of the corporate values of human resources. As stated by (), this will form a bigger outline of what is acceptable to be practiced by all employees from across the world. However, every unit can fine-tune and decide on specific areas that are best fit to serve their local unit situations. For instance, Tesco should adopt acceptable practices that all employees should adopt from all over the world as corporate culture, and then each country branch can fine-tune it to fit the local market (Edwards & Chris., 2011). It is because each country has unique cultural practices, and therefore, corporate values must be fine-tuned. For instance, the business culture in India is different from London and the United States, and therefore, what works well in London cannot be implemented well in New Delhi. Every unit must fine-tune the corporate value based on the cultural practices of the locals. It will help in addressing challenges related to coordination and control. For instance, employee compensation design must take into consideration the cultural differences of units but still manage to be regarded by all employees as a fair model of compensation anywhere the company has a functional unit (Björkman, Evans and Pacik 2017).

However, this has proved to be difficult to implement since companies operating in different countries have failed to design a corporate compensation plan. For proper coordination of company functions, a company should have one compensation plan that is implemented across the board in all units. Many multinational companies have failed to implement this wholesomely, making it difficult to have proper coordination and control. It is likely for culture to affect international practices, which can interfere with the coordination and control of various functions (Oppong, 2014).

Information Systems, Coordination, and Control Across Borders

Research has also illustrated that coordination and control and also be applied through the use of information systems. Fortunately, the information system has almost all of the tools required to coordinate and provide control as well so that an international organization can work efficiently based on the system being delivered to unite the company from the headquarters. A company can formulate and deliver a human resource information system (HRIS) that management to use in service delivery and monitoring, coordination and providing control of various services (Farndale, ., Scullion, and Sparrow, 2010). It is, therefore, important for a company's management to ensure that the right systems are in place, which can be used remotely to oversee the operations of a unit away in a

different country. The IT system allows the company to centralize services, and therefore, it is easy and faster to over overall supervision from any part of the world (Parry & Marler, 2015).

Studies have also shown that successful companies usually have a lot of things in common. They must give employees job security, self-managed and engaging in selective hiring of employees in a manner that is transparent, providing necessary essential tools to help in addressing challenges that employees face. The IHRM should pay employees who use people who are self-managed and team-oriented, reduce status differences that exist in the organization, train employees, and share information as a way of enhancing the coordination of activities or general organization operations (Parry & Marler, 2015). Developing an international workforce is very difficult, and therefore, it requires proper coordination of various stakeholders to make sure that it is achieved.

In conclusion, coordination and controls require appropriate understanding and working together so that all the differences can be sorted out. It is evident that international human resource management team is exposed to a lot of issues and therefore, it addresses the problem of coordination and control, management must train top executive on different aspect of cultural practices of specific region to improve coordination due to proper understanding of business culture of the company in specific region. It shall also improve the information sharing level, and this will result in an increased level of control in the organization. Therefore, the problem of coordination and controls can be avoided by making sure that the top executive understands the business culture of the company and of every unit to improve working relationships and hence improve performance.

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