

Human Resources Management

Robert L. Mathis | John H. Jackson

Prepared by Dr. Ibrahim Aboelseod

MGM 243

Lecture 10



Globalization of HR Management

Chapter
18

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Human Resource Management

TENTH EDITON

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**Globalization of HR
Management**

Chapter 18



Chapter 18

Defining Globalization

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RESEARCH GUIDES

Literature about globalization is produced by sociologists, political theorists, economists, historians, anthropologists, and journalists. Globalization is a term variously employed, even by experts within a single discipline. There is substantial debate, not only about its definition, but also about its significance, and how it shapes our world. Most agree that globalization rests upon, or simply is, the growth in international exchange of goods, services, and capital, and the increasing levels of integration that characterize economic activity. In this sense, globalization, is only another word for internationalization. Importantly, it is economic activity that is fuel and furnace of cross-border integration.

Global brands

Chapter 18



Globalization Impact

Chapter 18

Globalization of Business

The internationalization of business has proceeded at a rapid pace. Many U.S. firms, both large and small, receive a substantial portion of their profits and sales from other countries. Firms such as Coca-Cola, Exxon, Mobil, Microsoft, Ford, and General Electric derive half or more of total sales and profits outside the United States. The reverse is also true. For example, Toyota, based in Japan, is growing its market share and its number of jobs in the United States, and North American sales provide 70% of its profits worldwide.²⁶ Also, Toyota, Honda, Nissan, and other Japanese automobile manufacturers, electronics firms, and suppliers have expanded their operations in the United States.

Global HR Managers

Chapter 18



Chapter 18



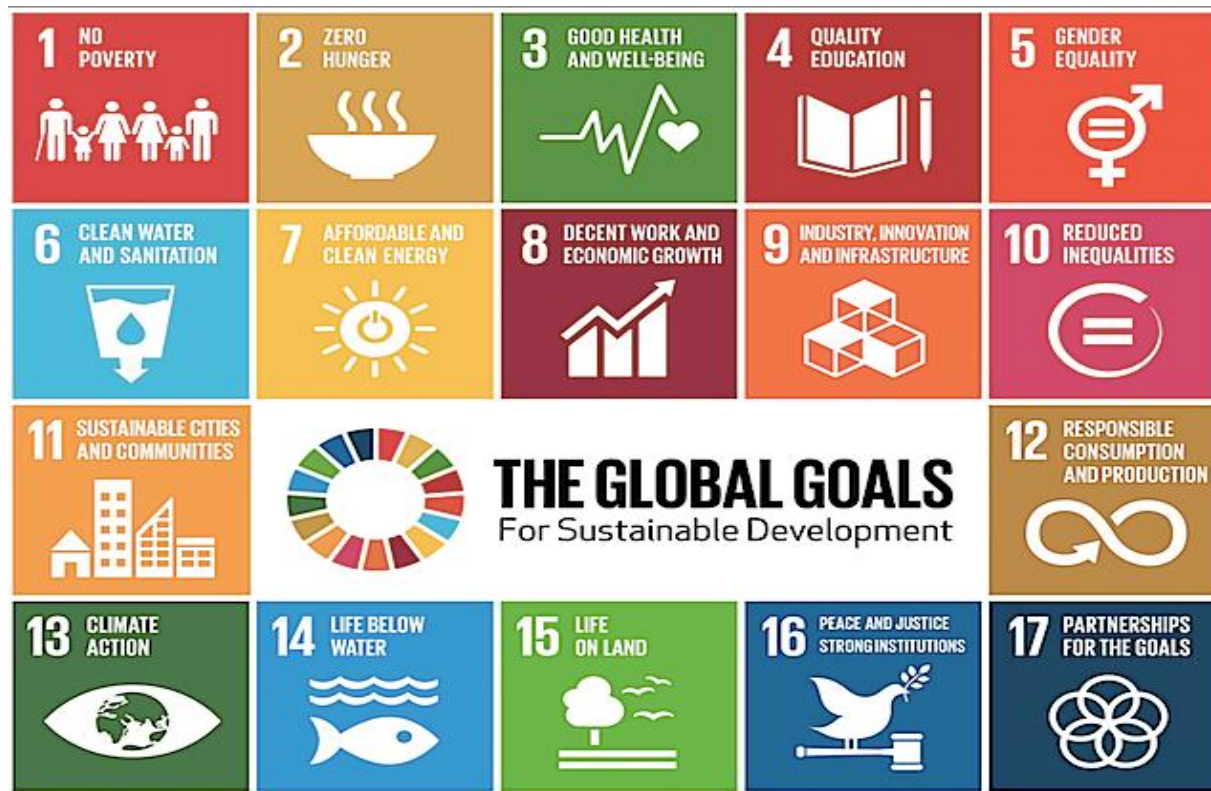
2030 Global Vision Vs. HR

Chapter 18



Chapter 18

2030 Global Vision Vs. HR Cont.



Chapter 18



LEARNING FOR WORKING

We will continue investing in education and training so that our young men and women are equipped for the jobs of the future. We want Saudi children, wherever they live, to enjoy higher quality, multi-faceted education. We will invest particularly in developing early childhood education, refining our national curriculum and training our teachers and educational leaders.

We will also redouble efforts to ensure that the outcomes of our education system are in line with market needs. We have launched the National Labor Gateway (TAQAT), and we plan to establish sector councils that will precisely determine the skills and knowledge required by each socio-economic sector. We will also expand vocational training in order to drive forward economic development. Our scholarship opportunities will be steered towards prestigious international universities and be awarded in the fields that serve our national priorities. We will also focus on innovation in advanced technologies and entrepreneurship.

2030 Global Vision Vs. HR Cont.

Chapter 18

PROVIDING EQUAL OPPORTUNITIES

Our economy will provide opportunities for everyone - men and women, young and old - so they may contribute to the best of their abilities. We will place a renewed emphasis on lifelong training and we will seek to make the most of the potential of our workforce by encouraging a culture of high performance. These efforts will be coordinated by the recently established Job Creation and Anti-Unemployment Commission.

One of our most significant assets is our lively and vibrant youth. We will guarantee their skills are developed and properly deployed. While many other countries are concerned with aging populations, more than half of the Saudi population is below the age of 25 years. We will take advantage of this demographic dividend by harnessing our youth's energy and by expanding entrepreneurship and enterprise opportunities.

Saudi women are yet another great asset. With over 50 percent of our university graduates being female, we will continue to develop their talents, invest in their productive capabilities and enable them to strengthen their future and contribute to the development of our society and economy. We will also enable those of our people with disabilities to receive the education and job opportunities that will ensure their independence and integration as effective members of society. They will be provided with all the facilities and tools required to put them on the path to commercial success.

ATTRACTING THE TALENTS WE NEED

Achieving our desired rate of economic growth will require an environment that attracts the necessary skills and capabilities both from within the Kingdom and beyond our national borders. We will seek to improve living and working conditions for non-Saudis, by extending their ability to own real estate in certain areas, improving the quality of life, permitting the establishment of more private schools and adopting an effective and simple system for issuing visas and residence permits.

Our goal is to attract and retain the finest Saudi and foreign minds, and provide them with all they need. Their presence in the Kingdom will contribute to economic development and attract additional foreign investment.



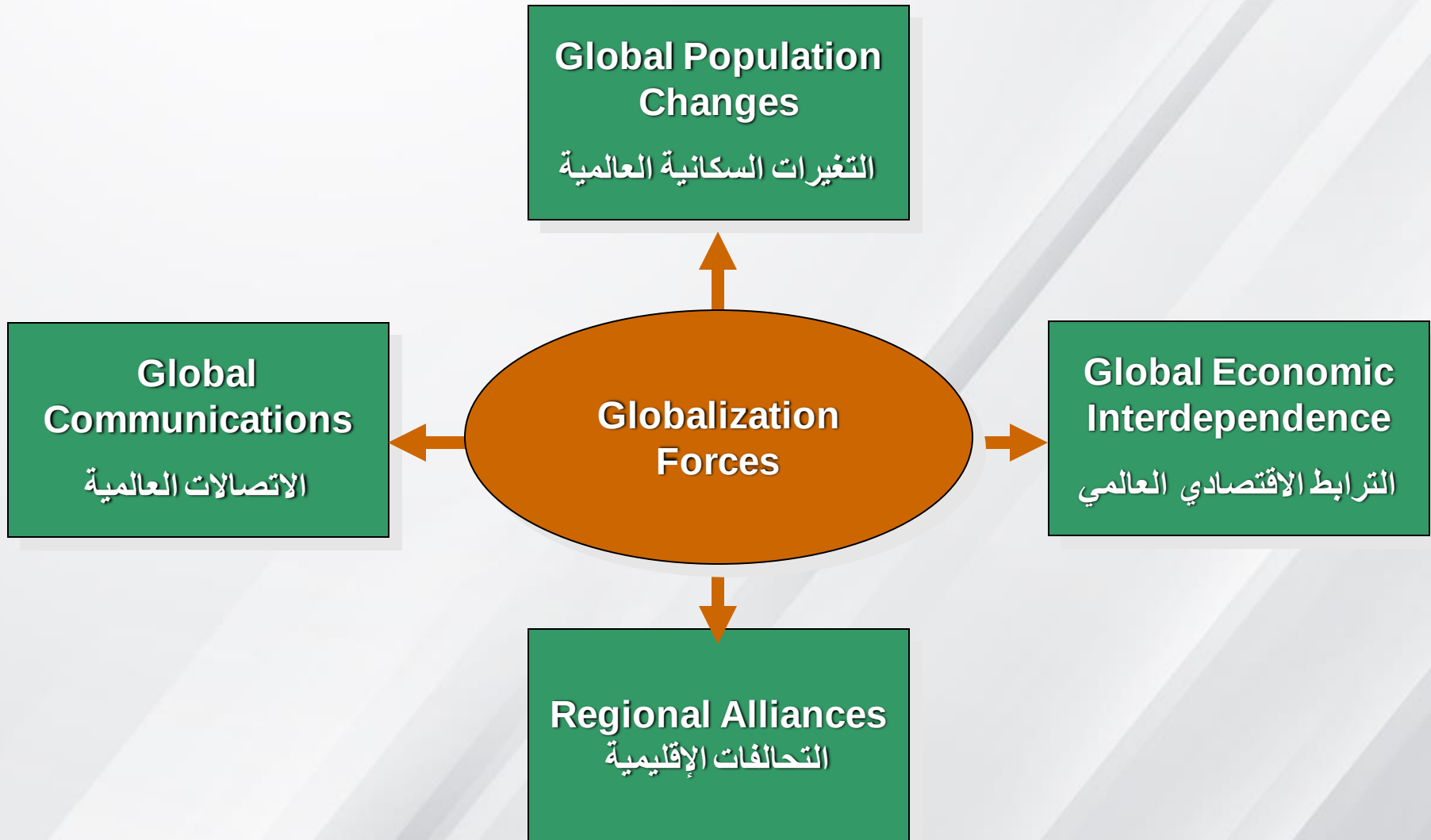
Chapter
18

LEARNING OBJECTIVES

After you have read this chapter, you should be able to:

- After you have read this chapter, you should be able to:
- Identify key forces driving globalization of management and organizations.
- Describe how political, legal, economic, and cultural factors affect global HR management.
- Discuss the five factors considered necessary to select successful global employees.
- Explain the activities needed to increase expatriate completion rates.
- Identify basic international compensation practices.
- Describe several international health, safety, and security concerns

Globalization of Business and HR



HR Responding To Global challenges

Chapter 18

Global Security and Terrorism Another global challenge for international employers is the threat of terrorism. Following the terrorist attacks of September 11, 2001, firms around the world had to develop terror response and security plans. International firms in many industries have dramatically increased security for both operations and employees. Terrorist threats and incidents have significantly affected airlines, travel companies, construction firms, and even retailers such as McDonald's. HR management must respond to such concerns as part of transnational operations and risk management efforts.

Global Funding Entities



البنك الدولي



ILO



International
Labour
Organization



Types of Global Organizations

Types	
Importing and Exporting	Selling and buying goods and services with organizations in other countries
Multinational Enterprise (MNE)	An organization with operating units located in foreign countries.
Global Organization	An organization having corporate units in a number of countries integrated to operate worldwide.

Number of Starbucks Stores Globally



Factors Affecting Global HR Management

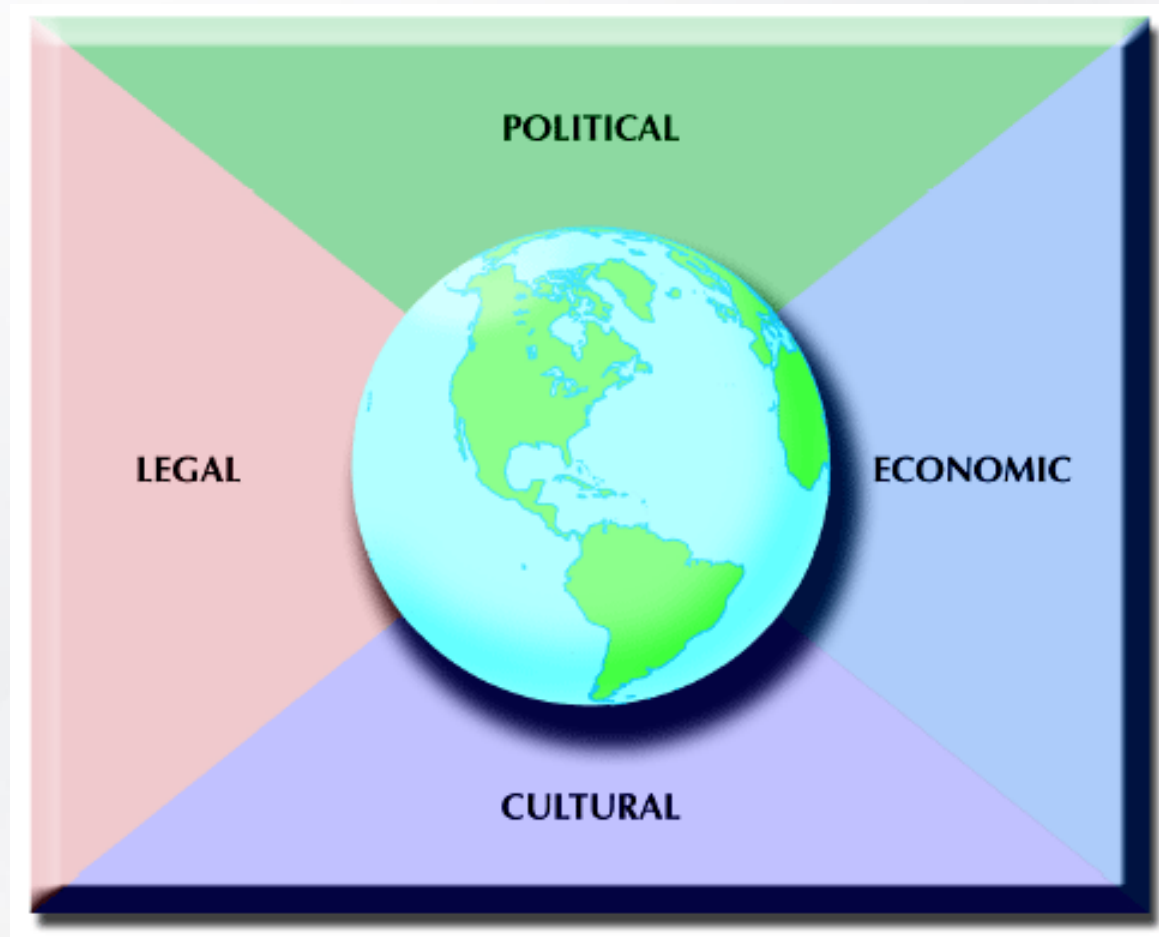


Figure 18-2

Globalization Political Impact

United Kingdom/Prime minister
[Rishi Sunak](#)



Global Employee Selection Factors

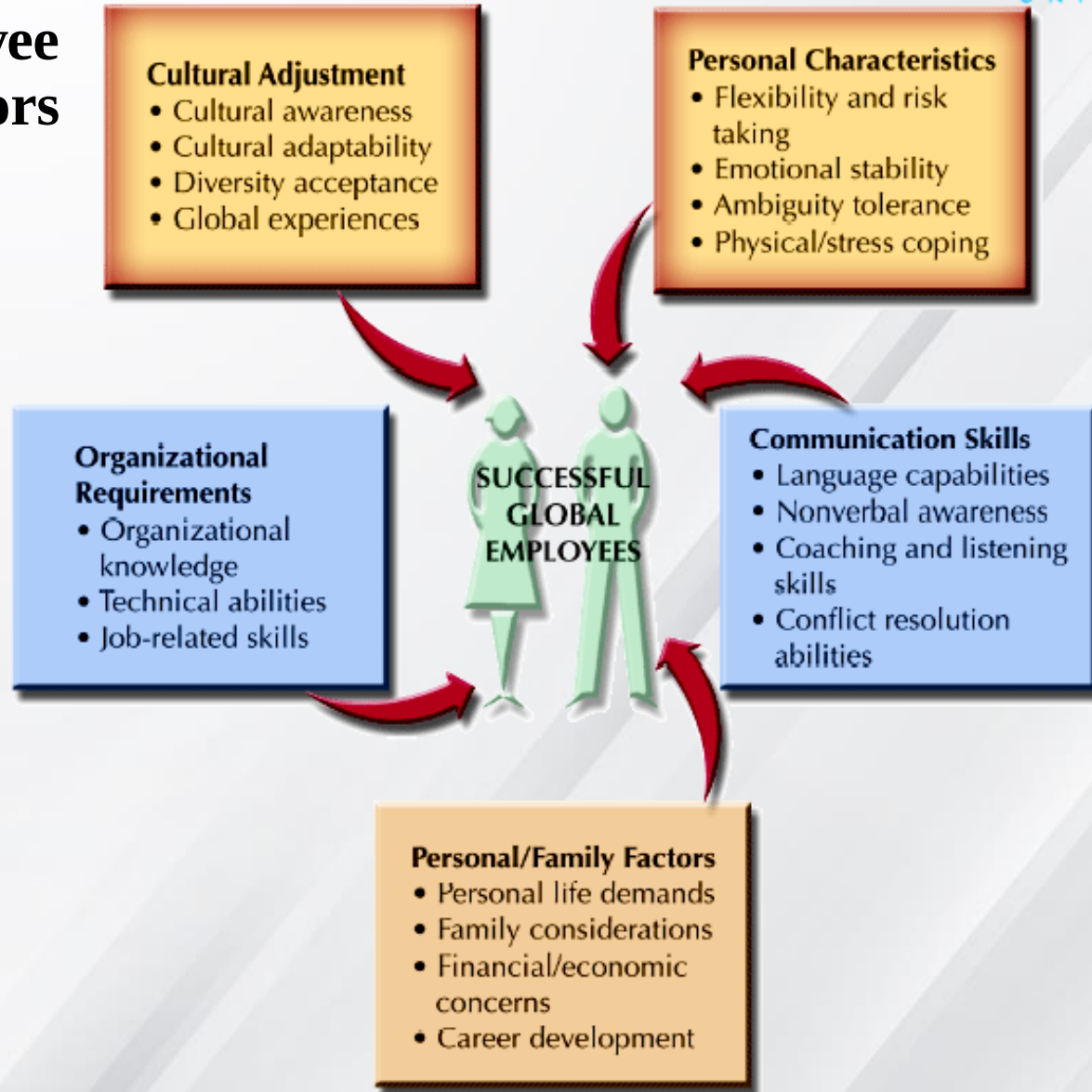


Figure 18–5

Arab banks Heads Headhunting

إليس وانغ

رئيس للتكنولوجيا والتحول الرقمي والمعلومات

- يحمل درجة الماجستير في علوم الكمبيوتر وهندسة المعلومات من جامعة تشينغ كونغ الوطنية في تايوان.

- انضم إلى المشرق عام 2020

- يتمتع بخبرة عريقة ومتنوعة تربو على أكثر من 25 عامًا، العمل مع مؤسسات وشركات عالمية كبرى في كل من الصين والولايات المتحدة، مثل شركة ماكينزي، وإيكونيك موتورز، وشركة EY365 ومجموعة علي بابا، وجوجل. وكان خلال عمله كمستشار أول في شركة ماكينزي أند كومباني، مسؤولاً عن تقديم خدمات استشارية قائمة على الحلول لعملاء الشركة العالميين، وتحديد أ في قطاع التجزئة، وقطاع مركبات الطاقة الجديدة، وإنترنت الأشياء، والتخمين الذكي واقتصاد الإنترنت.



مارك إدواردز

رئيس العمليات

- يحمل درجة إدارة الأعمال من جامعة ستيرلنغ في المملكة المتحدة، وانضم إلى برنامج الإدارة التنفيذية من معهد إنسياد في كل من فرنسا وسنغافورة.

- انضم إلى المشرق عام 2020

- ويتمتع بخبرة طويلة تزيد عن 25 عامًا في مجال العمليات المؤسسية والأعمال المصرفية، ولديه خبرة دولية وإقليمية في العمليات المصرفية والخدمات المشتركة وتحويل الأعمال وإدارة المشاريع والاندماج.



International relocation involves:

- Arranging for pre-departure training
- Providing immigration & travel details
- Providing housing, shopping, medical care, recreation & schooling information
- Finalizing compensation details such as:
 - ✓ Delivery of salary overseas
 - ✓ Determination of overseas allowances
 - ✓ Taxation treatment

Global Assignment Management Cycle

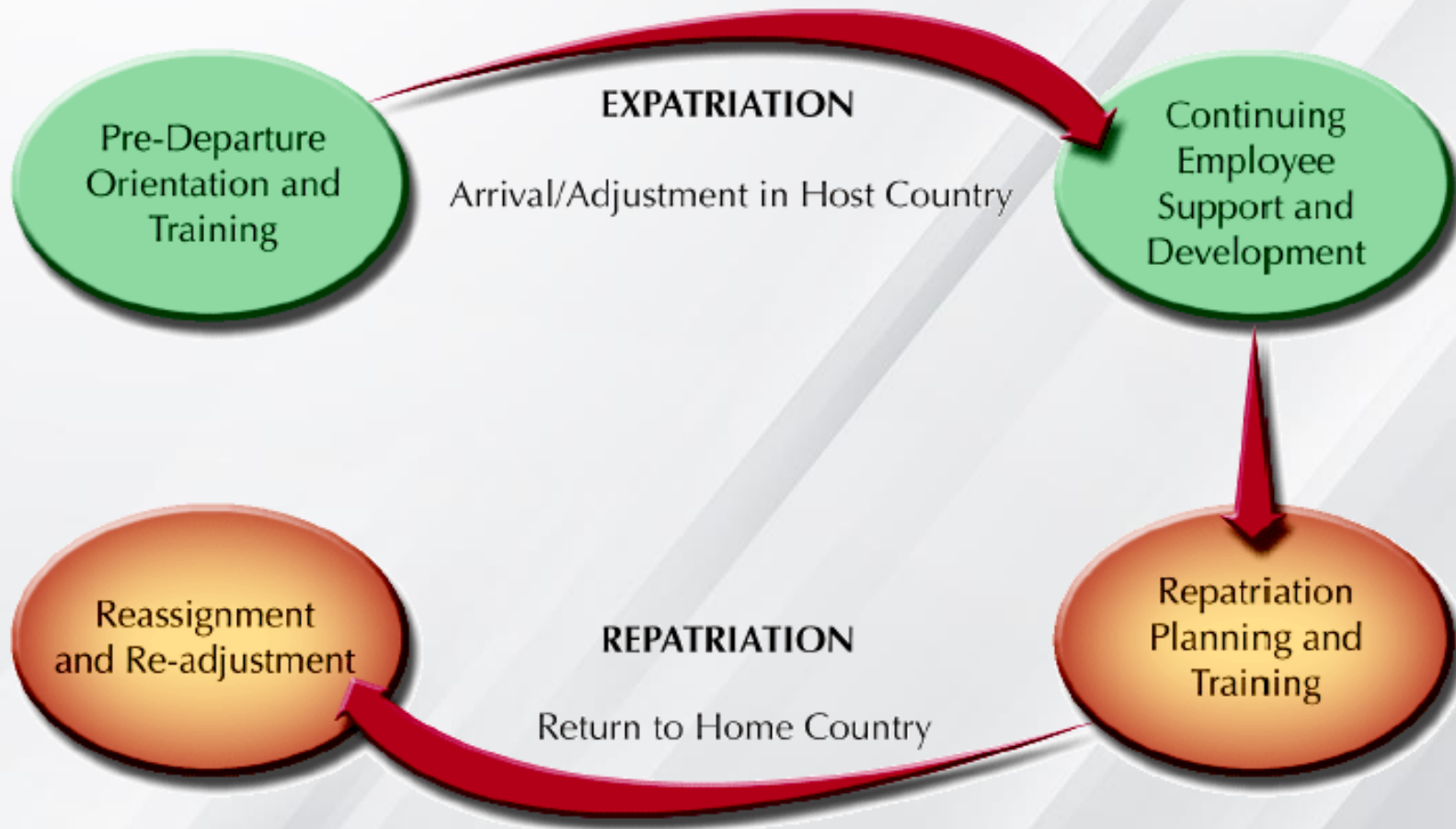


Figure 18–7

Global Assignment Management Cycle



Intercultural Competency Training

Component	Possible Training
<i>Cognitive</i>	• <i>Culture-specific training (traditions, history, culture customs, etc.)</i> • <i>Language course</i>
<i>Emotional</i>	• <i>Uneasiness: social skills training focusing on new/unclear and intercultural situations</i> • <i>Prejudices: coaching may be clarifying</i> • <i>Sensitivity: communication skills course (active listening, verbal/nonverbal cues, empathy)</i>
<i>Behavioral</i>	• <i>Culture Assimilator</i> • <i>International projects</i> • <i>Social skills training focusing on intercultural situations</i>

Figure 18–8

Typical Expatriate Compensation Components



Figure 18–10

Defining International HRM



Definition of IHRM

1. The HR activities of procurement, allocation & utilization
2. The countries where IHRM occurs:
 - Host-country where subsidiary may be located
 - Parent-country where firm is headquartered
 - Other-countries that may be source of labor, finance & other inputs
3. The employees of an international firm:
 - HCNs (host country nationals)
 - PCNs (parent)
 - TCNs-Third Country Nationals (host country nationals)

In an international firm, a TCN is a person whose nationality is different from that of the firm, and of the country in which the firm is operating: for example, a UK manager working for an Australian-based subsidiary of a Japanese company.

IHRM has international HR activities

- International **taxation**
- International **relocation & orientation**
- **Administrative services** for expatriates
- Host-government **relations**
- **Language translation** services

Four More Moderators In Addition To IHRM Complexity

1. **The cultural environment**
2. industries with which the MNE is primarily involved
3. The extent to which the MNE relies on its HC domestic market
4. The attitudes of senior management

THE CULTURAL CONTEXT OF IHRM



DEFINITIONS OF CULTURE

Cultural globalization refers to the transmission of ideas, meanings and values around the world in such a way as to extend and intensify social relations. This process is marked by the common consumption of cultures that have been diffused by the Internet, popular culture media, and international travel

CULTURAL GLOBALIZATION



منظمة العمل الدولية

من فعاليات

الملتقى التثقيفي التوعوي

بمحافظة الفردقة..

قنا - الفردقة - الأقصر - الوادي الجديد - أسيوط - أسوان

منظمة العمل الدولية تتحدث مع الشباب حول مستقبل العمل ..

Who Planned for MAC India !





Power distance



Cultures change

There is increasing

1. International connectedness. E.g. Social networking sites
2. Global economy coordination
3. Harmonization/ Coordination/ Synchronization of laws & regulations
4. Migration/ Relocation