



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore - 641 107

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Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai



DEPARTMENT OF MANAGEMENT STUDIES

COURSE NAME : 19BA315 STRATEGIC HUMAN RESOURCE MANAGEMENT

II YEAR /III SEMESTER

Unit III - CROSS CULTURAL HRM

Topic 1 - Cross Cultural HRM



INTERNATIONAL HRM

IHRM is defined as set of activities aimed managing organizational human resources at international level to achieve organizational objectives and achieve competitive advantage over competitors at national and international level.

International human resource management is the interplay among these three dimensions, human resource activities, types of employees and countries of operations.



FEATURES

Right people at the right place

Developing long run HR plan

- ▶ Growing diversified variety of abilities for various workers
- ▶ Determining compensation for home, host and third country nationals
- ▶ Formation of centralized reporting relationships worldwide.
- ▶ Informal and formal techniques for the effective integration
- ▶ Developing an efficient evaluation system
- ▶ Good understanding of cultural dimensions
- ▶ Effective communication
- ▶ Perception



SCOPE OF IHRM

- ◀ Human Resource Planning
- ◀ Recruitment and selection
- ◀ Training and development
- ◀ Remuneration
- ◀ Performance Management
- ◀ Employee Relations.



OBJECTIVES OF IHRM

- ▶ To avoid the threats to international Human Resource
- ▶ To avoid culture related risks
- ▶ To avoid the regional differences
- ▶ To sustain local responsiveness
- ▶ To deal with the diverse human resources
- ▶ To make sure of global outlook pertaining to local sensitivities
- ▶ To be able to transfer learning across the units that are internationally dispersed.
- ▶ To disperse the awareness and cross-cultural sensitivities between employees and managers throughout the world.

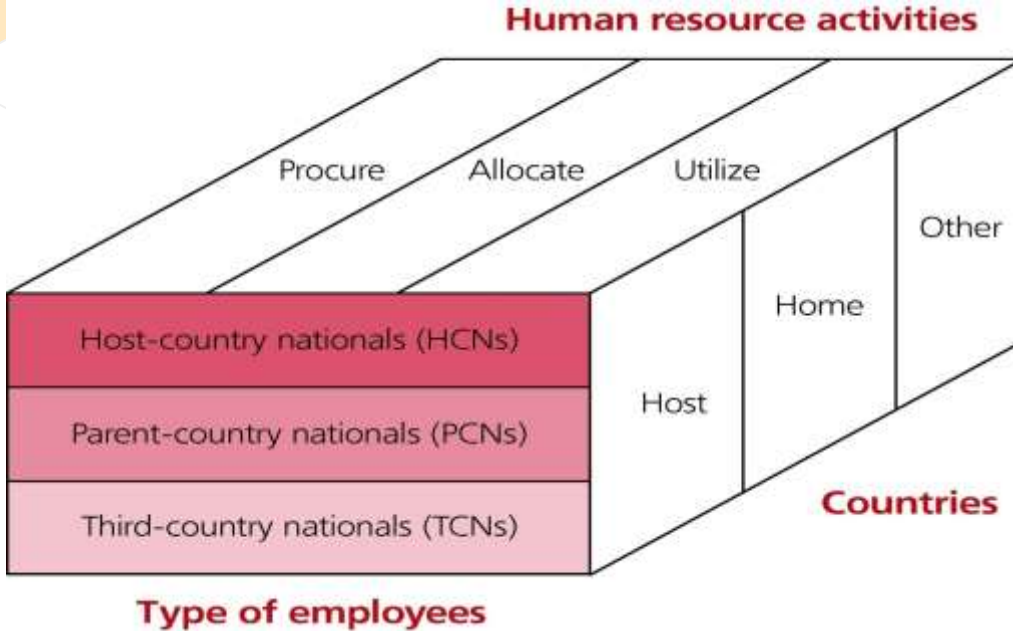


FACTORS INFLUENCING IHRM

- ▶ Cultural factors
- ▶ Economic factors
- ▶ Legal political factors



A MODEL OF IHRM





APPROACHES OF IHRM

- ◀ Ethnocentric Approach
- ◀ Polycentric Approach
- ◀ Regiocentric Approach
- ◀ Geocentric Approach



IMPORTANCE

IHRM is important due to the;

- ◀ Markets are not secured from Overseas Competition.
- ◀ Globalization
- ◀ Employees far away from home country and family.
- ◀ Unexpected foreign competition level in both domestic and international market.
- ◀ Search and development of able and competent human resources
- ◀ Execution of international competitive strategies for HR.
- ◀ Organisations to deal with the HR in comparison with any other resources.



LIMITATIONS

- ▶ Issues related to culture and communication.
- ▶ Communication
- ▶ Taxation Issues
- ▶ Loss of organizational control and identity
- ▶ Foreign currencies & exchange rates
- ▶ High administrative cost
- ▶ Adjustment towards compensation plan.
- ▶ Work with families of employees
- ▶ Involvement in employee's personal life, facility etc.
- ▶ Different HR system for different geographic locations.
- ▶ Complex external constituencies, foreign governments
- ▶ Risks such as health, terrorism, legal issues, human and financial consequences of mistakes.



CHALLENGES OF IHRM

- ◀ Managing Cultural Diversity
- ◀ Managing Work Force Complexity
- ◀ Handling Change Resistance
- ◀ Management of Varying Economic Systems
- ◀ Managing Industrial and Legal Relations Issues
- ◀ Managing Human Resource Perception across countries.



ROLE OF CULTURE IN IHRM

- ◀ Human Resource Planning
- ◀ Recruitment and Selection
- ◀ Compensation and Benefits
- ◀ Performance Appraisal
- ◀ Training and Development



DOMESTIC VS IHRM

1. Heterogeneous function
 - ▶ International Taxation
 - ▶ International Relocation and Orientation
 - ▶ Various other administrative services for Expatriates
 - ▶ HR functions and Managing Host-Government Relations.
2. Encompasses Dynamic Perspectives
3. Demands Greater Involvement in Employees Personal Lives
4. Effect of Greater External Sources
5. Higher Risk than typical domestic HRM – Expatriate Failure, Direct cost, Indirect Cost



IHRM & DOMESTIC HRM

IHRM

- Address a broad range of HRM activities
- HR issues relate to employees belonging to more than one nationality
- Greater involvement of HR manager in the personal life of employees
- Greater exposure to risks in International assignments
- Has to manage several external factors such as government regulations of foreign country

Domestic HRM

- Address a narrow range of HRM activities
- HR issues relate to employees belonging to single nationality
- Limited involvement of HR manager in the personal life of employees
- Limited risks in domestic assignments
- Limited external factors to deal with.



RECAP

QUESTIONS???

THANK YOU