

# Human Resources Management In Context

**Lecture Title :-  
International Dimensions of HRM**



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Human Resources Management**

# Learning Objectives

- Identify and critically evaluate major challenges in International HRM.
- Examine strategic decisions underlying global HRM models and their consequences.
- Assess global mobility methods in light of cultural, legal, and institutional differences.
- Consider ethical and equitable factors in global staffing.



# Group discussion

"What is the difference between domestic and international HRM?"



# Domestic VS International HRM



**Domestic HRM:** Focuses on managing employees within a single country, operating under one legal, cultural, and economic system.



**International HRM:** Involves managing employees across multiple countries, requiring adaptation to diverse legal, cultural, political, and economic environments.

# Group discussion

"What do you think are the main HR challenges of international business?"



# HR Challenges within an International Context

HR Challenge	Description	Implications
Cultural Differences	Managing diverse work values, communication styles, and attitudes across cultures	Misunderstandings, team conflict, decreased cohesion
Legal and Regulatory Compliance	Navigating varying labor laws, tax codes, and employment standards	Legal risks, fines, reputational damage
Global Talent Acquisition & Retention	Recruiting and keeping skilled workers across multiple regions	Talent shortages, high turnover, increased hiring costs
Expatriation & Repatriation Management	Handling international assignments and reintegration upon return	Assignment failure, disengagement, loss of talent
Standardization vs. Localization	Balancing global HR policies with adaptation to local conditions	Inflexibility or inconsistency in HR practices
Training & Development	Designing effective training for culturally and geographically dispersed employees	Irrelevance of training, low participation, inconsistent performance



# HR Challenges within an International Context

HR Challenge	Description	Implications
Compensation and Benefits	Developing fair and competitive compensation structures across different economies	Perceived inequity, budgeting issues, compliance problems
Performance Management	Appraising employee performance across diverse cultural and legal systems	Bias, inconsistent evaluations, dissatisfaction
Communication and Language Barriers	Managing communication across languages, time zones, and cultures	Misinterpretation, delay, reduced collaboration
Ethical and CSR Considerations	Ensuring fair labor practices and ethical behavior in all operating countries	Reputation risk, compliance issues, stakeholder criticism
Security and Political Risk	Operating in regions with instability or geopolitical tensions	Health and safety risks, assignment refusal, operational disruption

# Adapting Human Resource Activities to Intercountry Differences

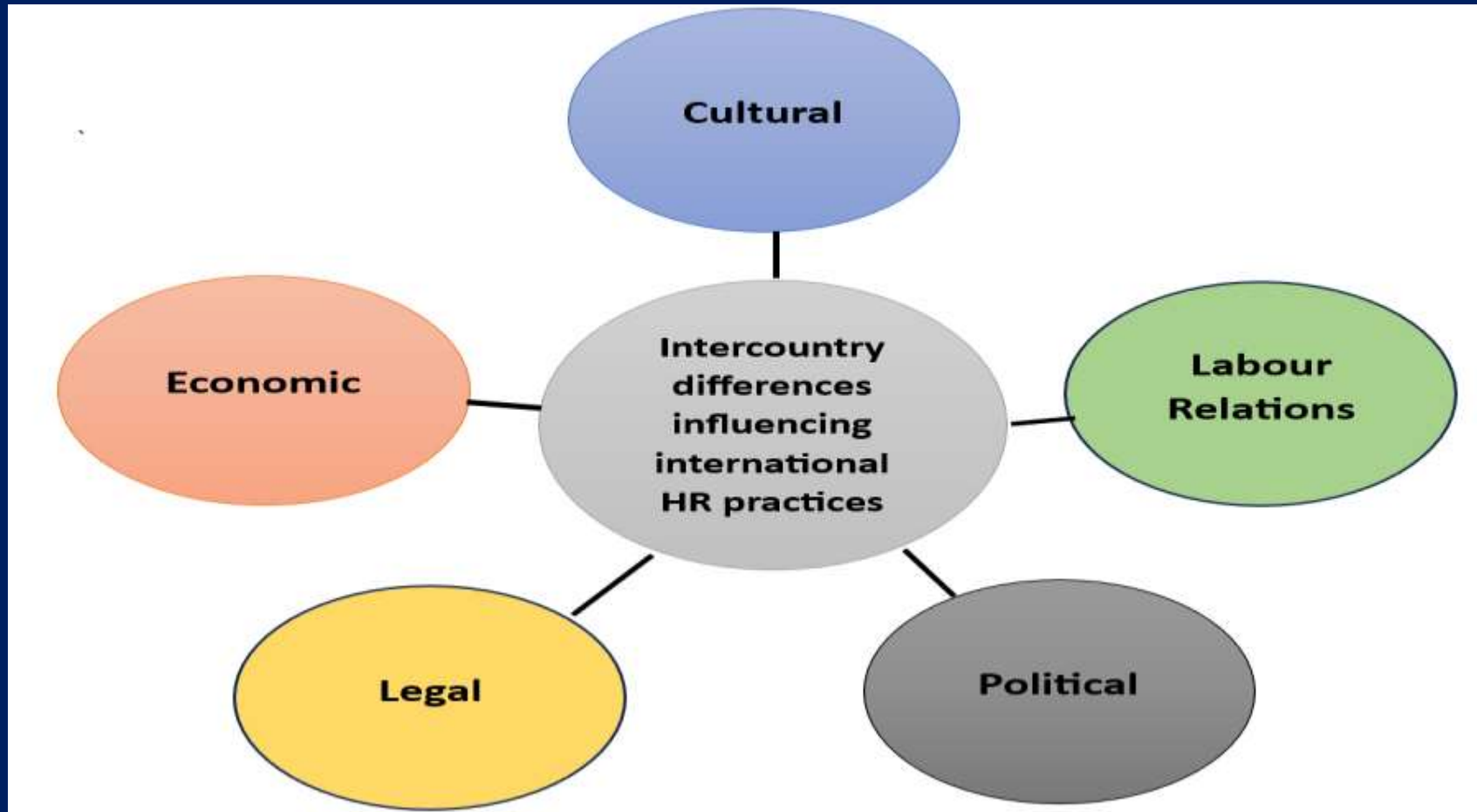


Figure 1. Critical Intercountry Differences That Influence International HR Practices. Adapted from Dessler (2021, p. 601).



# Case Study

Refer to the worksheet provided and answer discussion questions related to Adapting Human Resource Activities to Intercountry Differences.



**30 mins discussion**  
**15 mins presentation**



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# Strategic Global HRM Models

Model	Characteristics	Typical Use Case
<b>Ethnocentric</b>	HQ-based practices dominate; key positions held by home-country nationals.	Early-stage internationalisation; US firm operating abroad.
<b>Polycentric</b>	Local subsidiaries operate autonomously; local nationals fill most roles.	Firms focused on local responsiveness.
<b>Geocentric</b>	Global mindset; best person for the job, regardless of nationality.	Mature global firms; integration is key.

# Strategic Global HRM Models – Strengths & Limitations

Model	Strengths	Limitations
Ethnocentric	Control, consistency, strong HQ values	Can lead to cultural myopia; expat costs.
Polycentric	Local adaptation, cultural fit	Limits coordination, inconsistent policies.
Geocentric	Talent optimization, global synergy	Expensive, complex compliance & coordination.

# Group Discussion – Which IHRM model fits best ?



Company	Description (HRM context)	Your Answer
Google	Operates with a unified global culture; recruits talent globally; uses internal mobility; decentralized HR decisions.	[Model:] _____
McDonald's	HR policies are tailored to local markets; restaurant managers and staff are typically local hires.	[Model:] _____
Toyota	Key decisions are made in Japan; Japanese expats often manage overseas plants, especially in early-stage markets.	[Model:] _____
Unilever	Focus on developing local leaders in every region; diverse leadership team from multiple nationalities.	[Model:] _____
Siemens	Global structure with strong local autonomy; adapts training and compliance to local needs.	[Model:] _____

# Group Discussion – Which IHRM model fits best ?



Company	Likely IHRM Model	Rationale
Google	Geocentric	Talent hired globally, emphasis on mobility, unified systems, global leadership development.
McDonald's	Polycentric	Decentralised HR functions, local autonomy, adapts products and HR to local culture and laws.
Toyota	Ethnocentric	Historically prefers home-country (Japanese) managers in foreign operations, centralized decision-making.
Unilever	Geocentric	Strong focus on global leadership pipeline, diverse leadership, combines global strategy with local insight.
Siemens	Polycentric / Hybrid	Localised HR policies and training systems, moderate central control.



# Global Mobility

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# What is Global Mobility?

<https://www.youtube.com/watch?v=mffSMVvrlD8>



# Global Mobility Models

Model	Description
Expatriation / Long-term Assignment	Long-term assignment (2–5 years); employee from HQ sent to a foreign post.
Short-term Assignment	Less than 12 months; often project-based or consultative.
Commuter Assignment	Cross-border commuting (e.g., weekly travel); often within EU.
Localization / Permanent Transfer	Expat becomes permanent local hire; local terms apply.
Virtual Assignments	Global roles performed remotely.

# Group Discussion

Can you discuss possible challenges related to the following global mobility models :

- Longer-term assignments / Expatriation
- Short-term assignments
- Permanent transfers / Localization
- Commuter assignments
- Virtual Assignments



# Long-term Assignments / Expatriation

Sending employees abroad for 1–5 years to manage operations, transfer knowledge, or develop leadership.

## Challenges:

- **Cultural Adjustment:** Language barriers, social norms, and differing work styles can lead to isolation or underperformance.
- **Family Impact:** Spousal dissatisfaction and children's schooling often lead to early returns.
- **High Costs:** Relocation, housing, schooling, and hardship allowances can be 2–3 times the employee's salary.
- **Repatriation Issues:** Many employees face poor reintegration, career stagnation, or turnover after returning home.
- **Legal/Compliance Risks:** Taxation, social security, and visa compliance can be complex.



# Short-term Assignments

Assignments usually lasting 3–12 months, often project-based.

## Challenges:

- **Limited Cultural Integration:** Not enough time to adapt fully, which may hinder collaboration and effectiveness.
- **Logistical Complexity:** Frequent moves without permanent relocation support.
- **Tax and Legal Ambiguities:** Often overlooked, leading to compliance risks if multiple jurisdictions are involved.
- **Employee Stress:** Short notice, high pressure, and limited personal support may affect morale and productivity.



# Permanent Transfers / Localization

Employee becomes a local hire in the host country, losing home-country expat benefits.

## Challenges:

- **Loss of Support:** Reduced relocation benefits and no repatriation planning.
- **Compensation Misalignment:** Local pay may be lower, leading to dissatisfaction.
- **Integration Issues:** Feeling of being “abandoned” by home office.
- **Family Considerations:** Long-term relocation impacts lifestyle, education, and dual-career challenges.



# Commuter Assignments

Employee works in a foreign country during the week and returns home on weekends.

## Challenges:

- **Work-Life Imbalance:** Travel fatigue, stress, and limited family time.
- **Cost:** Frequent travel can become expensive.
- **Immigration/Visa Limits:** Frequent border crossings may create legal or visa issues.
- **Inconsistent Presence:** May hinder team cohesion and leadership effectiveness in host location.



# Virtual Assignments

Employee manages global responsibilities remotely, often across time zones.

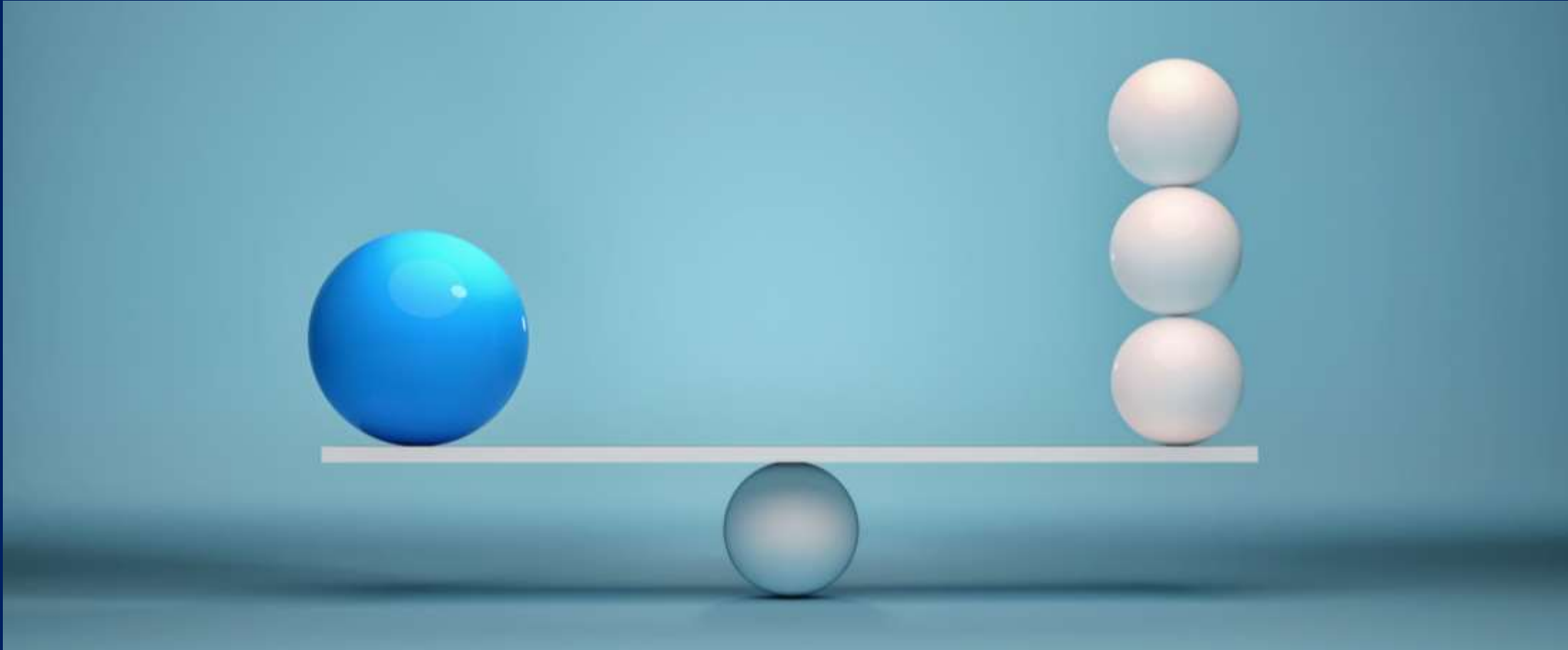
## Challenges:

- **Time Zone Misalignment:** Difficult to coordinate real-time meetings or decision-making.
- **Lack of Cultural Immersion:** Less understanding of local customs, laws, and team dynamics.
- **Communication Barriers:** Risk of miscommunication or misunderstanding due to lack of face-to-face interaction.
- **IT and Security Concerns:** Managing sensitive data across jurisdictions poses cybersecurity and compliance risks.





# Ethics & Equity in Global Staffing



# Group Discussion

## Ethical Staffing Decisions –

Can you think about any moral or ethical issues related to international recruitment?



# Ethical Staffing Decisions

International staffing can raise **moral and ethical dilemmas**, especially in:

**Offshoring/outsourcing:** Are workers being paid fairly, treated well, or simply seen as "cost-savers"?

**Wage disparities:** A U.S. expat may earn 5–10x more than a local peer. Is this fair or exploitative?

**Working conditions:** Factories or suppliers in Bangladesh, Vietnam, or Ethiopia may not meet safety or welfare standards.

## Example:

**Nike and Apple** faced criticism for working with suppliers where child labor or unsafe factory conditions were uncovered.

**Unilever and IKEA** emphasize ethical sourcing and decent work through their CSR strategies.

# Compliance with Global Labor Standards

The International Labour Organisation (ILO) is a United Nations agency whose mandate is to advance social and economic justice by setting labor standards.

Standard	Explanation
Freedom of Association	Workers can form and join unions or groups freely without fear or interference.
Elimination of Forced Labor	All forms of involuntary work under threat or coercion are prohibited.
Elimination of Child Labor	Children must be protected from work that harms health, safety, or development.
Non-Discrimination	Equal opportunities and treatment for all in employment and occupation.
Right to Collective Bargaining	Workers have the right to negotiate working conditions collectively.

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# Diversity, Equity & Inclusion (DEI) Globally

Key Concepts: Diversity: Cross-border hiring introduces differences in culture, gender, language, and demographics. Equity: Fair access to growth, promotion, and resources regardless of nationality or ethnicity. Inclusion: Fostering environments where all employees feel respected, valued, and empowered. ⚠️ Challenge: DEI meanings vary globally — what “equity” means in the U.S. may differ in Japan or the Middle East. ⭐ Real-World Example: Microsoft: Implements a global DEI framework including: Leadership DEI training Localized employee resource groups (ERGs) Consistent metrics across subsidiaries



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