

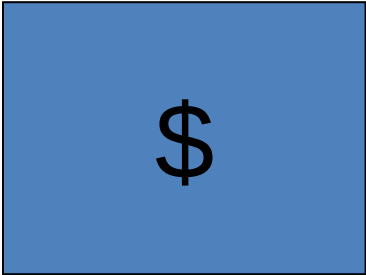
Overview

Human Resource Management & International HRM – Local and Globalization – Strategic Roles

Module 1

HRM – Introduction

The most important asset of an organization ?



\$



People

HRM – Local & Globalization, Strategic Roles of HRM

1. HRM

2. HRM - Globalization

HRM Basics (Roles & Responsibilities)

- HRM (Traditional)
- HRM (New +)

HRM - Process Owner !

**HRM – Strategic HRBP
Business Partner**

HRM – Introduction (Discussion)

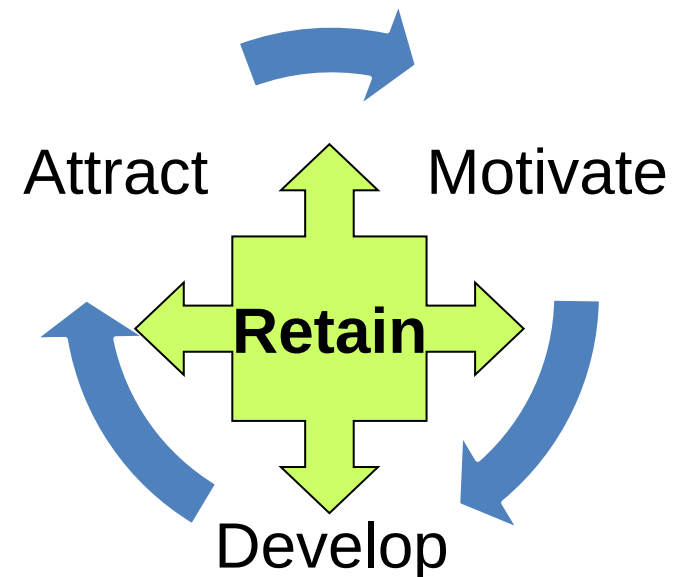
Roles and Responsibilities of HRM

#	Key	Scope of Work
1	HR Planning (Staffing)	
2	Job Analysis	
3	Managing Pay	
4	Recruitment / Selection	
5	Performance Management / Appraisal	
6	Learning & Development	
7	Job Reduction	
8	Employee relations	
9	Others	

HRM – Introduction

Key Responsibilities of HRM ...

- Attract
 - Recruitment / Staffing (RS)
- Motivate
 - Compensation and Benefit (C & B)
 - Performance Management (PM)
- Develop
 - Learning/Training and Development (L & D)
 - Talent Management (TM)
- Retain
 - Employee Relations (ER)



The Manager's Human Resource Management Jobs

- Management process
 - The five basic functions of planning, organizing, staffing, leading, and controlling.
- Human resource management (HRM)
 - The policies and practices involved in carrying out the “people” or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising.

Basic HR Concepts

- Getting results
 - The bottom line of managing
- HR creates value by engaging in activities that produce the employee behaviors the company needs to achieve its strategic goals.



Functions of the HR Manager

- A line function
 - The HR manager directs the activities of the people in his or her own department and in related service areas (like the plant cafeteria).
- A coordinative function
 - HR managers also coordinate personnel activities, a duty often referred to as **functional control**.
- Staff (assist and advise) functions
 - Assisting and advising line managers is the heart of the HR manager's job.

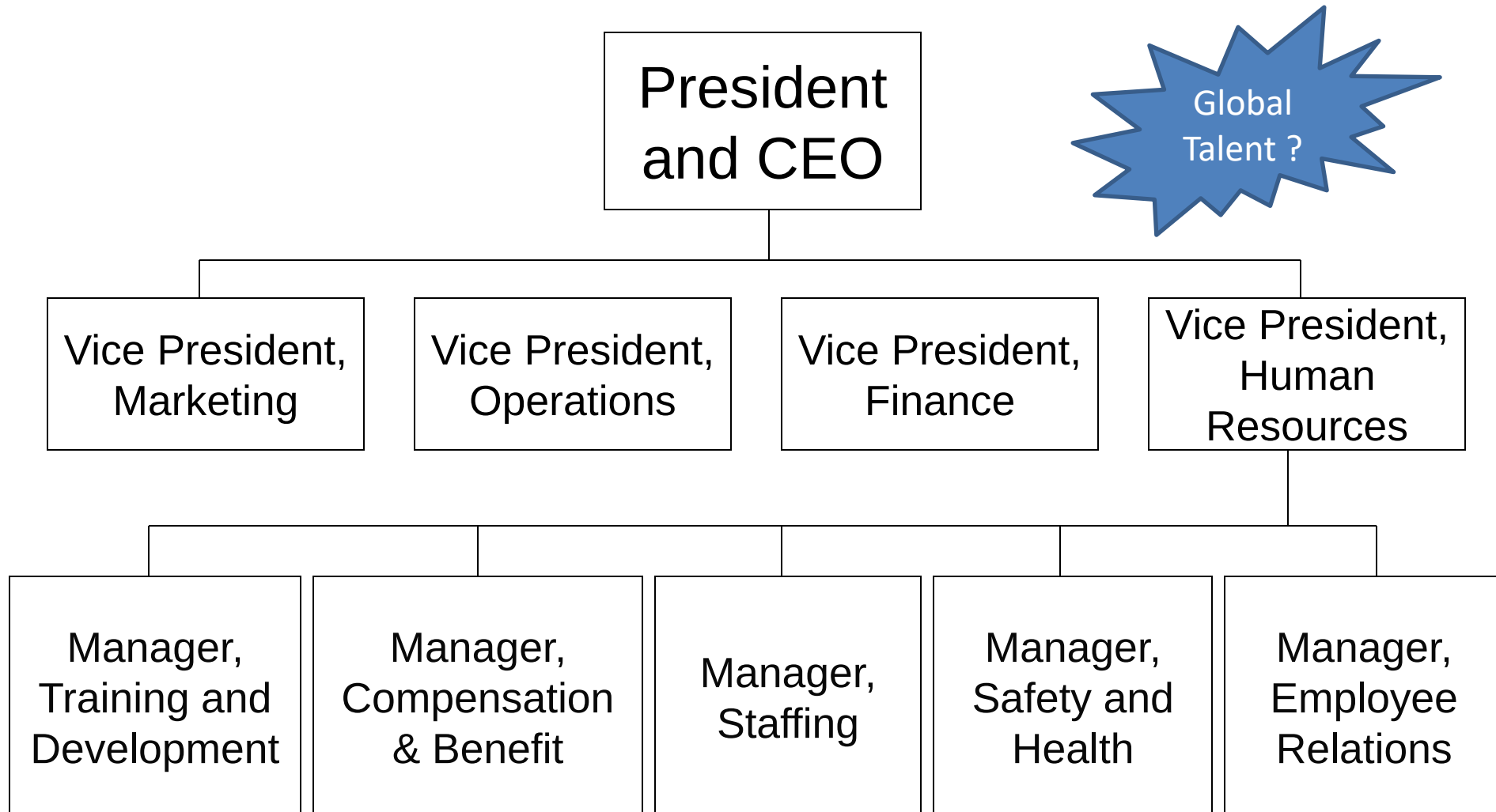
Examples of HR Job Duties

- Recruiters
 - Search for qualified job applicants.
- Equal employment opportunity (EEO) coordinators
 - Investigate and resolve EEO grievances, examine organizational practices for potential violations, and compile and submit EEO reports.
- Job analysts
 - Collect and examine information about jobs to prepare job descriptions.

Examples of HR Job Duties (cont'd)

- Compensation managers
 - Develop compensation plans and handle the employee benefits program.
- Training specialists
 - Plan, organize, and direct training activities.
- Labor relations specialists
 - Advise management on all aspects of union–management relations.

HR Functions in a Large Firm

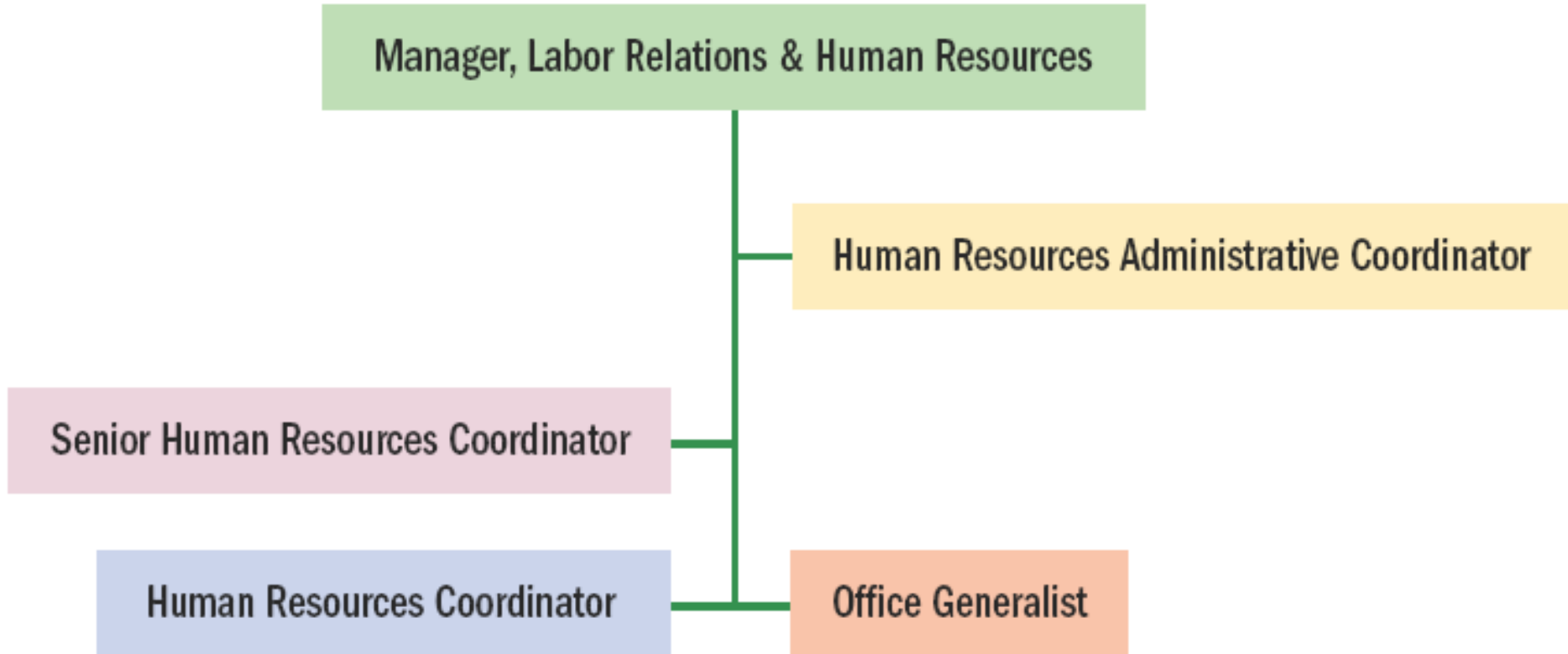


Cooperative Line and Staff HR Management

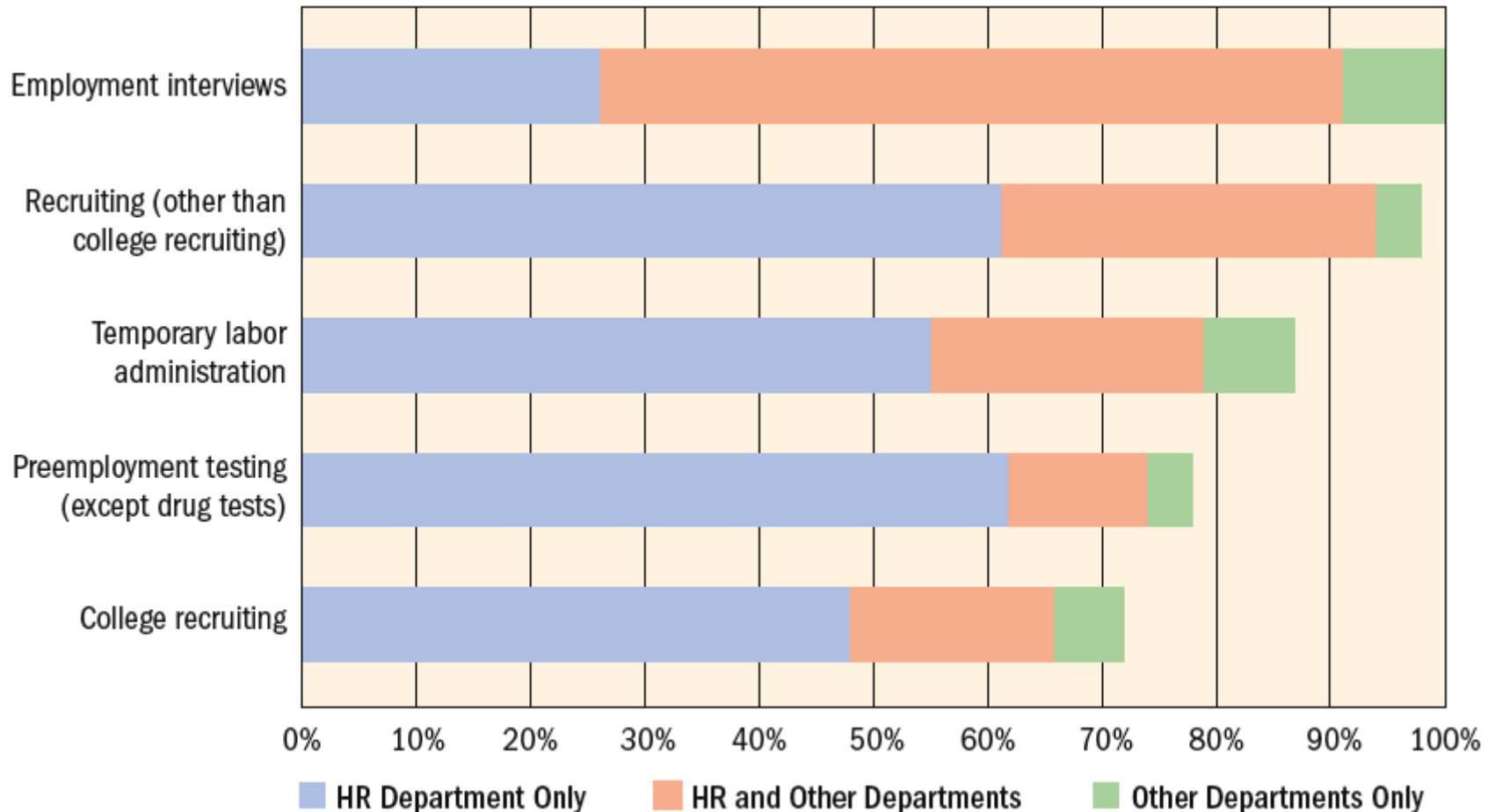
1. The line manager's responsibility is to specify the qualifications employees need to fill specific positions.
2. HR staff then develops sources of qualified applicants and conduct initial screening interviews
3. HR administers the appropriate tests and refers the best applicants to the supervisor (line manager), who interviews and selects the ones he or she wants.

HR Organizational Chart (Small Company)

小企業的人力資源組織



Employment and Recruiting—Who Handles It? (percentage of all employers) 人力資源與直線部門的分工



Note: length of bars represents prevalence of activity among all surveyed employers.

Source: HR Department Benchmarks and Analysis," BNA/Society for Human Resource Management, 2002.

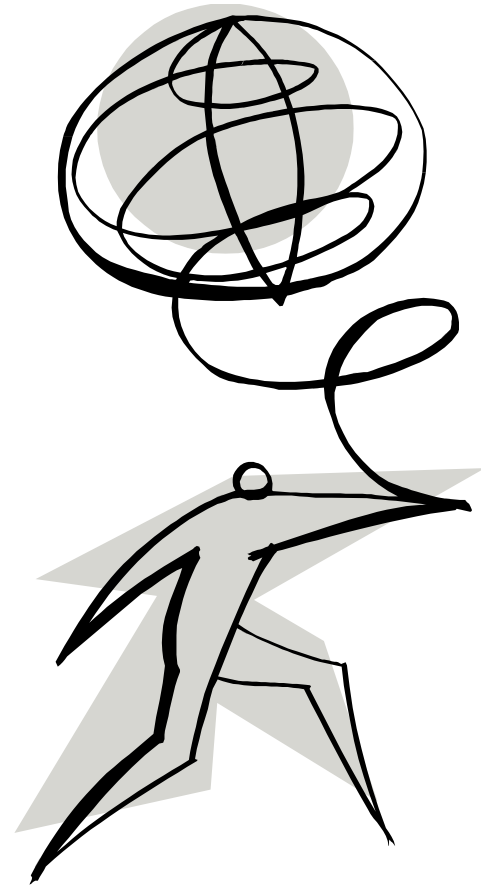
Figure 1–3

The Changing Environment Of HR Management

- HR's changing role:
“ Personnel departments”
 - Took over hiring and firing from supervisors, payroll, and benefit plans administration.

A Changing HR Environment

- Globalization
- Technological Advances
- Exporting Jobs
- The Nature of Work
- Workforce Demographics



Measuring HR's Contribution

- Strategy
 - The company's long-term plan for how it will balance its internal strengths and weaknesses with its external opportunities and threats to maintain a competitive advantage.
 - HR managers today are more involved in partnering with their top managers in both designing and implementing their companies' strategies.
 - Top management wants to see, precisely, how the HR manager's plans will make the company more valuable.

HRM – Metrics (KPI)

Assessment to HR functional performance

#	Key	KPI
1	HR Planning (Staffing)	
2	Job Analysis	
3	Managing Pay	
4	Recruitment / Selection	
5	Performance Management / Appraisal	
6	Learning & Development	
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9	Others	

HR Metrics

- Absence Rate

$$[(\text{Number of days absent in month}) \div (\text{Average number of employees during mo.}) \times (\text{number of workdays})] \times 100$$

- Cost per Hire

$$(\text{Advertising} + \text{Agency Fees} + \text{Employee Referrals} + \text{Travel cost of applicants and staff} + \text{Relocation costs} + \text{Recruiter pay and benefits}) \div \text{Number of Hires}$$

- Health Care Costs per Employee

$$\text{Total cost of health care} \div \text{Total Employees}$$

- HR Expense Factor

$$\text{HR expense} \div \text{Total operating expense}$$

Figure 1–5

HR Metrics (cont'd)

- Human Capital ROI

$$\frac{\text{Revenue} - (\text{Operating Expense} - [\text{Compensation cost} + \text{Benefit cost}])}{\div (\text{Compensation cost} + \text{Benefit cost})}$$

- Human Capital Value Added

$$\frac{\text{Revenue} - (\text{Operating Expense} - ([\text{Compensation cost} + \text{Benefit Cost}])}{\div \text{Total Number of FTE}}$$

- Revenue Factor

$$\text{Revenue} \div \text{Total Number of FTE}$$

- Time to fill

$$\text{Total days elapsed to fill requisitions} \div \text{Number hired}$$

Figure 1–5 (cont'd)

HR Metrics (cont'd)

- Training Investment Factor

Total training cost $\div$ Headcount

- Turnover Costs

Cost to terminate + Cost per hire + Vacancy Cost + Learning curve loss

- Turnover Rate

[Number of separations during month $\div$ Average number of employees during month] $\times$ 100

- Workers' Compensation Cost per Employee

Total WC cost for Year $\div$ Average number of employees

Figure 1–5 (cont'd)

HRM – Local & Globalization, Strategic Roles of HRM

1. HRM
2. **HRM – Globalization & Strategic Roles**

All HR strategies – To support the biz strategies and help achieve the corporate global business objectives

Global / Local Biz Objectives
– Local / Regional Business Strategy & Goals

HR Strategies

**China
HR**

**Asia
HR**

**North
America
HR**

**EMEA
HR**

**Central
South
America
HR**

**Recruitment
&
Manpower**

**Training
&
Leadership
Development**

**Performance
Compensation
& Benefit**

**HRIS,
Employee Relations,
Communication, Legal,
Ethics, Safety,
Reporting Process**

The New HR Manager

- New Proficiencies
 - HR proficiencies
 - Business proficiencies
 - Leadership proficiencies
 - Learning proficiencies



The New HR Manager (cont'd)

- The Need to “Know Your Employment Law”
 - Employment Ordinance
 - Equal employment laws
 - Personal Data Privacy Ordinance (Eg. GDPR-EU)
 - MPF



HR and Technology

- Benefits of technological applications for HR
 - Intranet-based employee portals through which employees can self-service HR transactions.
 - The availability of centralized call centers staffed with HR specialists.
 - Increased efficiency of HR operations.
 - The development of data warehouses of HR-related information.
 - The ability to outsource HR activities to specialist service providers.

Driver of Changes / Transformation

Tech – HR

Discussion – Impacts to HR functions and services...

1. AI impacts to HR functions
2. Jobs replaces / displace by AI / New Tech
 - What are they ? Why ?
 - Foreseeable new job, new skills and roles....

Question – What do you think ?

Question 1

Q1: 以下四类工作中，你认为哪一类在未来最“无可替代”？

Which of the following four types of work do you think is the most “irreplaceable” in the future?

A. Courier 快递员

B. Telephone marketer 电话营销员

C. Fitness trainer 健身教练

D. Production line quality inspector 生产线质检员

Question 2

Q2: 以下四类工作中，你认为哪一类在未来最“前途暗淡”？
Which of the following four types of work do you think is the most “unpromising” in the future?

A. Human resources 人力资源

B. Nurse 护士

C. Babysitter 保姆

D. Financial and sports reporters 财经和体育记者

Driver of Changes / Transformation

Tech – HR

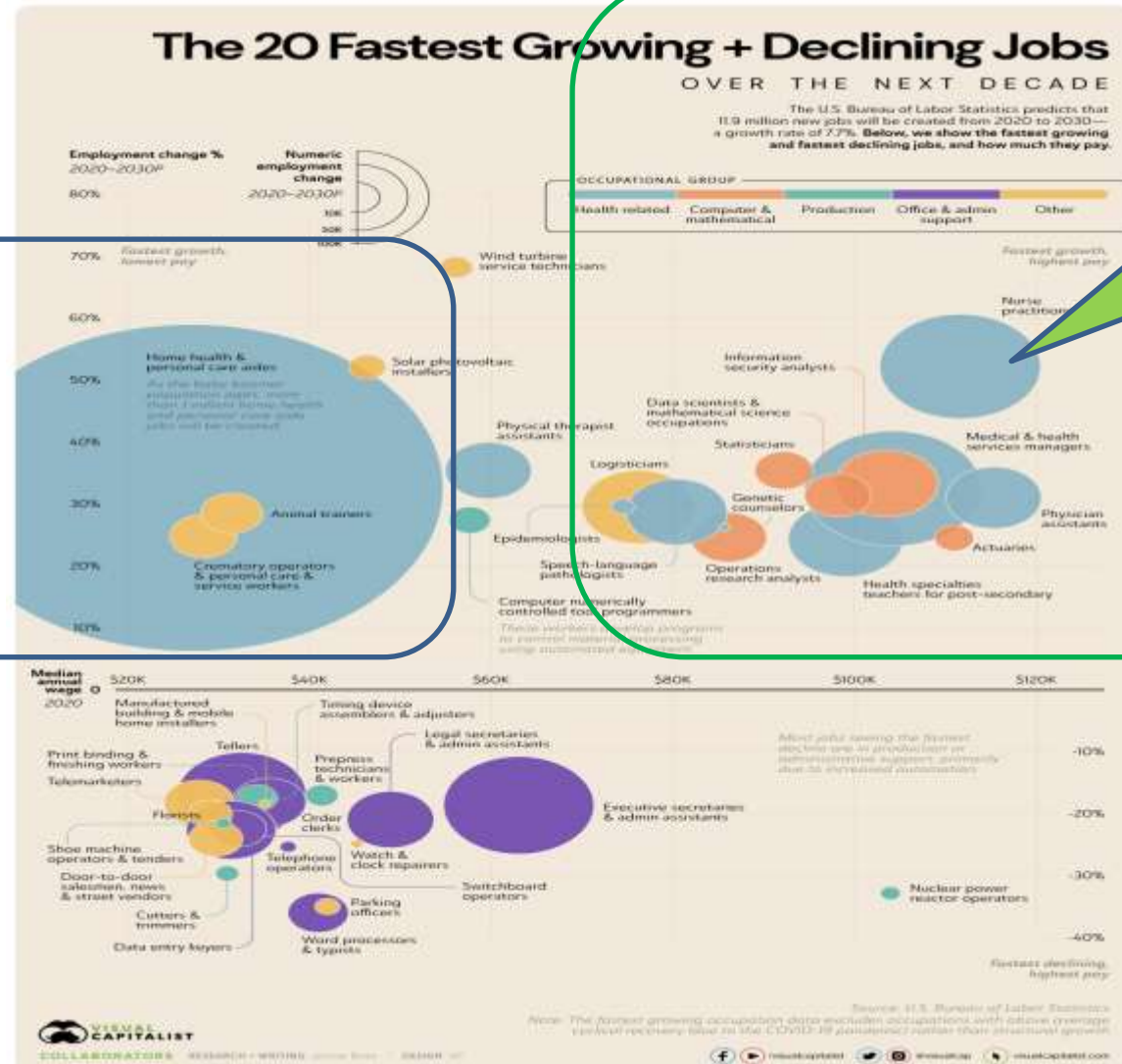
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<https://www.linkedin.com/pulse/365种工作的未来消亡概率图谱-kai-fu-lee/>

Old jobs (x) – NEW JOBS !!

<https://www.weforum.org/agenda/2021/09/fastest-growing-jobs-employment-skills>



Fast growth
low pay jobs

Fast growth
high pay jobs

Discussion

HR Talent for Future World – 5 yrs ...

1. Identification of Trends (2 each)

- Trends – exist but will cease to continue 1-2 years
- Trends – exist and will continue for coming 3-5 years
- Trends – not exist today, will pop and prosper..

2. Characteristics of Talent (2 key ones)

- can lead us and win in the FUTURE world

Macro – 6 Key Trends affecting global business and organizations

HRM – Strategically Critical



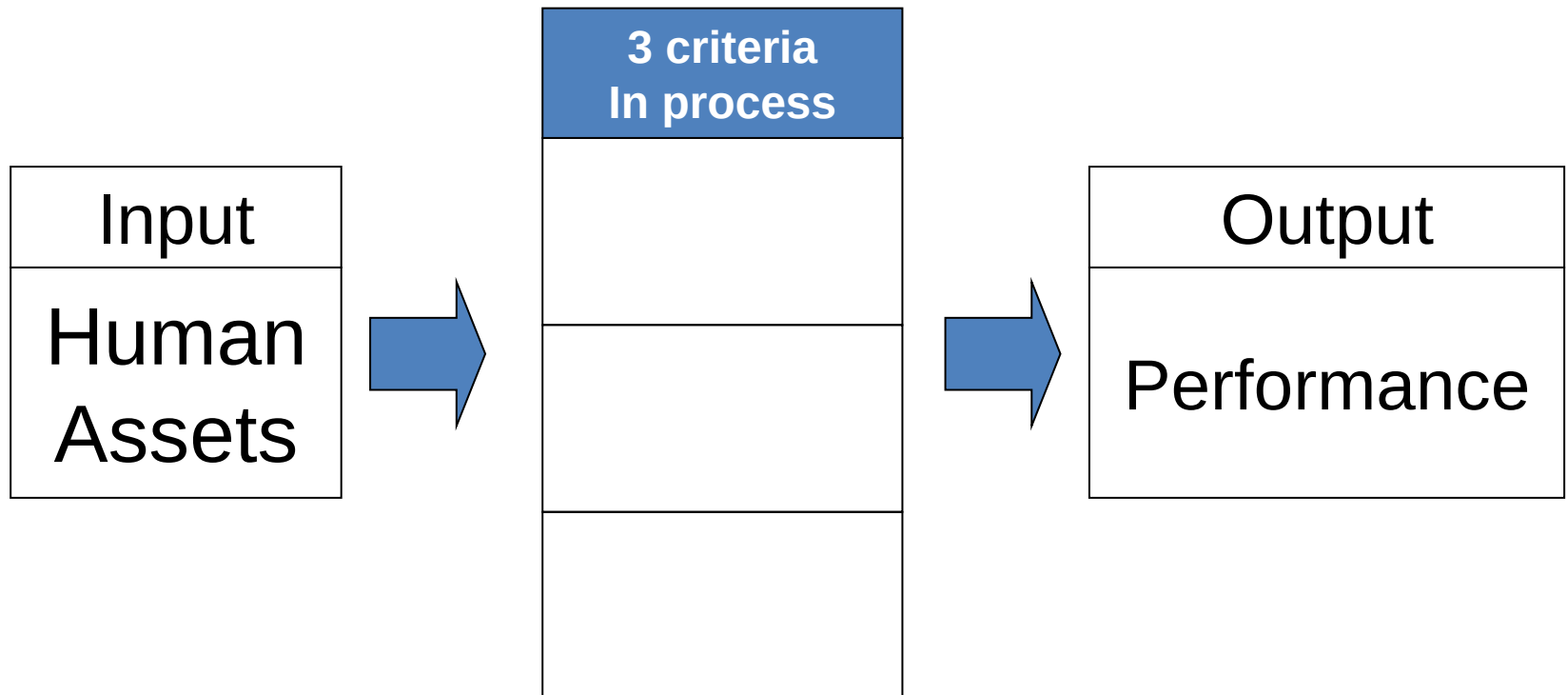
“One of most important tasks of today’s CEO is Cultivate Many Future leaders” – Jack Welch



“The Global Competitiveness anchors on Talent Competitiveness of an organization”

– Citibank, HSBC..

HRM – 3 Key Criteria – Drive People to Perform in Organization ?



Globalization – Normal – Nothing New

Human Evolution - Survival of the Fittest



Human Evolve – Globalization – Move Around
Fundamental Driving Force – Survival thru Competition

Globalization – Definition

Closer and Interlinked World

Globalization is the tendency of **businesses, technologies, or philosophies** to spread throughout the world, or the process of making this happen.

The global economy is sometimes referred to as a *globality*, characterized as a totally interconnected marketplace, unhampered by time zones or national boundaries.



Globalization – Good or Bad ?

Public / General Views



What to Globalize ?
Who will benefit ?

1. Mutual Benefits – opportunities for all
2. One Market – labour market - equal
3. Technology – access – all benefit
4. Exportation / Exploitation
5. Benchmark / Imposed Standards
6. Leverage – Protectionism (market share, ...)
7. Rich gets richer, Poor gets poor
8. Control and Extend power / advantages
9. Sustain the superiority (Rich's games)
10. Freedom of invasion
11. Build Defensive - Entry Barriers for the less



Discussion : Key Responsibilities

Difference : HRM Vs Int'l HRM

Key Responsibilities	HRM	IHRM
Attract - Recruitment		
Motivate - Com & Ben		
Develop – learning & Talent Development		
Retain – Performance Mgt Employee Relations		

Globalization of Business

Internationalize of HRM & Challenges

- IHRM –
 - The study and application of all human resource management activities as they impact the process of managing human resources in enterprises in the global environment
- Challenges to IHRM professionals
 - Develop a global mind-set inside HR functions
 - Align core HR process/activities – new requirements to achieve both global and local competitiveness
 - Enhance global competencies/capabilities within HR function

Factors – impact the level of IHRM activities in MNE

- Stage of internationalization
 - Export base, domestic > global... Expat > Localized..
- Global nature of particular industry - Natural resources, restricted industry...
 - Oil, Airline – Globalized standards... Insurance ??
- Structure of international operations
 - Foreign subsidiary, Joint Venture, partnership, alliance
- Decision Making Structure & Organization Cultures
 - Centralized Vs Localized (Adaptation)..

The level of HRM VS IHRM activities in MNE

HSBC – Think Global, Act Local
The World's Local Bank



The tension between

GLOBAL Centralization Vs Local Adaptation

A major dilemma for global firms and their HR Managers
What to global standardized, What Local adapted ?

Human Resource Management Strategy (SHRM)

HRBP - BPwHR

Module 2

The Strategic Management Process

- Strategic Management
 - The process of identifying and executing the organization's mission by matching its capabilities with the demands of its environment.
- Strategy
 - A chosen course of action.
- Strategic Plan
 - How an organization intends to balance its internal strengths and weaknesses with its external opportunities and threats to maintain a competitive advantage over the long-term.

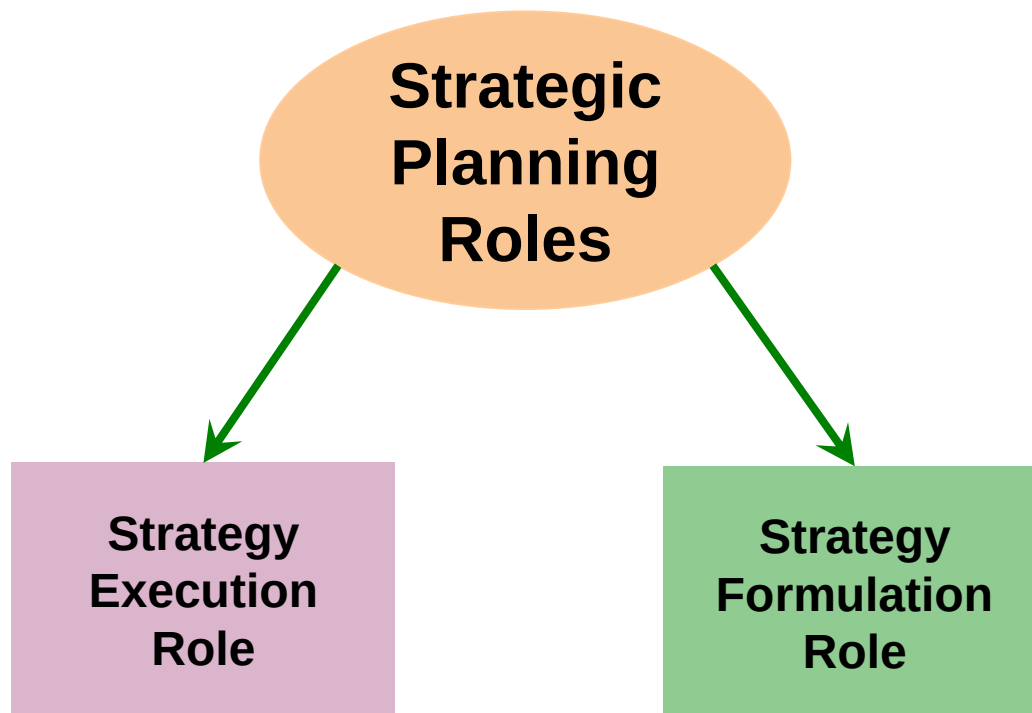
Strategic Human Resource Management

- The linking of HRM with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility.
 - Involves formulating and executing HR systems—HR policies and activities—that produce the employee competencies and behaviors that the company needs to achieve its strategic aims.

Strategic Human Resource Challenges



Human Resource Management's Strategic Roles



Creating the Strategic Human Resource Management System

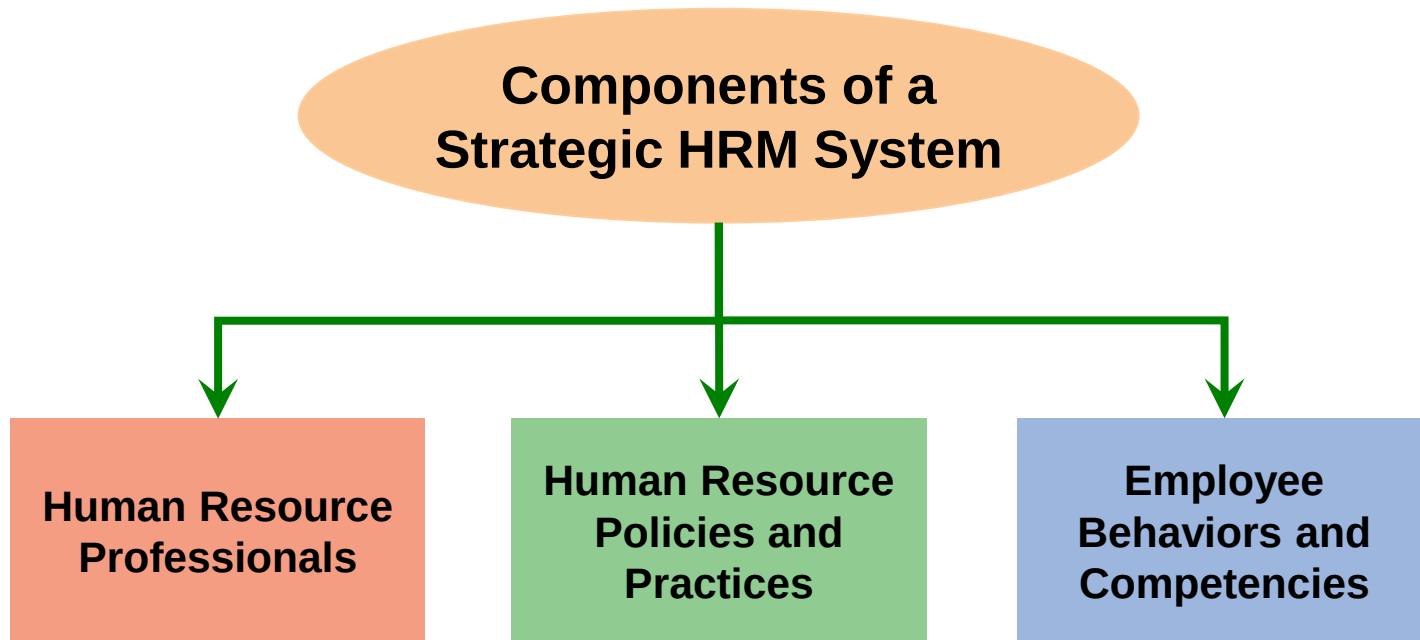


FIGURE 3–9
Strategic HRM – Align with
Corporate Strategies
人力資源戰略和活動與企
業戰略結合的基本模型



Source: Adapted from Garrett Walker and J. Randal MacDonald, “Designing and Implementing an HR Scorecard,” *Human Resources Management* 40, no. 4 (2001), p. 370.

Global Organizational Structure

- Integrated multiple / diverse differences !!

- Local > Globalized competitive company

- Adapting to local market differences
- Exploiting global economies of scales
- Exploiting economies of global scope
- Tapping into the best locations for activities and resources
- Maximize knowledge and experience transfer between locations



Integrated : the total is greater than the sum of all parts

Global Organizational Structure

- Roadmap – stages – SHRM roles

Internationalize thru export	International Division	Multi-country / Multi-domestic	Regionalized	Global - No borders - Best costs
• Trade desk only • IHRM impact minimal • Structure - minimal	• Int'l grows • specific int'l dept forms for all int'l markets • HQ int'l manager & some local hires	• Key market countries • subsidiaries • Differentiation by countries • Human moving ++	• Key regional HQ offices instead of multiple key countries (EU, AFR, AP, NA...)	Transnational - Think Global - Act Local
• IHRM - minimal	• IHRM ++	• IHRM +++	• IHRM ++	Born-Global - IT
				Global Integrated - Shared Global resources & best practices to deliver values to any customers

Ways – Business Internationalize

1. Licensing & Franchising
2. Outsourcing / Off-shoring
3. Wholly owned subsidiaries
4. Mergers and Acquisitions (M&A)
5. International Joint Ventures (IJV & JV)
6. Strategic alliances, partnership, and consortia (SA)
7. Maquiladora (Mexico) / SEZ (Shenzhen)
8. 1 BELT 1 ROAD (BIG BAY REGION)

M&A, IJV & JV, SA – mostly failed – Big challenges (IHRM)

SHRM - M&A, JV (IJV, JV), SA

Due Diligence – ONLY Financial & Strategic objectives

- Missed the impacts on people, organization, and HR issues: such as
 - Incompatibility of cultures
 - Incompatibilities – HR systems – Com & Ben, unions..
 - Overestimated on abilities of target firms
 - Exaggerated – synergies
 - Experience loss / productivities – morals, wait & see..
 - HR - Last to involve (only in integration after M&A) !
 - People – seems as commodities

SHRM - M&A, JV (IJV, JV), SA

After M&A - Integration Challenges

- Options

1. One dominant firm
2. A shared-cultures models
3. A totally new culture model



- Results (non-dominant group – NDG)

- Assimilation – NDG – give up its identify
- Integration – NDG – maintain – integral parts
- Rejection – NDG – withdraw from dominant culture
- Deculturation – NDG – detached both OLD & dominant cultures

Which Option is better ?

Organizational Structure and Design

> conduct International biz - consideration

- Biz Strategies
- Size - Assets
- People - Ownerships / stakeholders, no. of employees..
- Size, coverage - No. of subsidiaries, countries.
- No. of partnerships and nature of the co-operations.
- No. of policies, compliance requirements
- Technology – nature of biz, and application of technologies
- Product & service – mixed, and range
- Manufacturing : Global, and local
- Aspects of functions : local and abroad (Ads,R&D..)
- Service provider – outsourcing, off-shoring...
- Environment - Language, cultures, time zones.. Legals..

Organizational Structure and Design

Balance - Global Integration Vs Local Autonomy

Basic Organizational Challenge to MNE:

1. Integration of activities that take place in multiple countries
2. Coordination of policies and practices in multiple foreign subsidiaries with those developed in and pursue by headquarters

This balancing act – primary task for
all managers with global responsibilities
HR, Finance, R&D, Production

Global Firm - Organizational Structure

Old > New

OLD - Common Formal Standardize platform for efficiency

- Complexity > Simplify by standardize
- Minimum structure models - key skeleton HQ based,
- Common policies / practices
- Reporting thru head of Biz unit
- Copy domestic models for subsidiary / regional structure

NEW – Best Source (talent / cost) for efficiency and effectiveness

- Multiple Functional Shared Service centers (Global – with multiple local members) – align / integrated best practices
- Matrix reporting – functional, local / regional responsibilities
- All locals are part of global – serve global and local opportunities
- Less layers, inform organizational structure
- **Virtual Network-Team-based Technology enabling organization**

Global Firm - Organizational Structure

IHRM Roles & Responsibilities

Virtual Network-Team-based Technology enabling organization

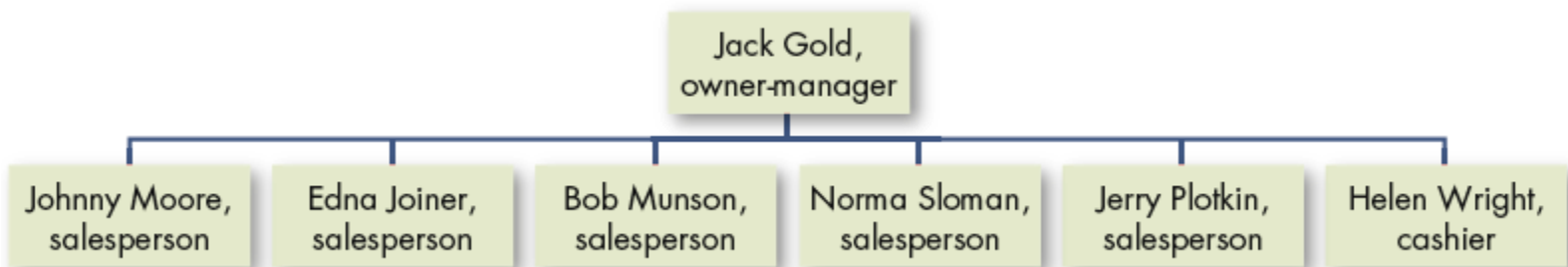
- Cross-border-nations / Cross time-zones
- Cross-culture
- Cross-organizational structure > Cross reporting channels

IHR Org structure - Share Service Centre - Global HR + local HR

- Deliver transactional service to any organization
- Shared and synergize Best Practices (no need to re-invent)
- HR Network Task to specific problem (local and/or global)
- Build core competencies (HR and all staffs) to operate proficiently in this network-base environment
- Build network knowledge based learning organization..

Diversity – Common Organization Designs: Simple Structure

- Simple & Flat (SF) Structure
 - A structure characterized by a low degree of departmentalization, wide spans of control, authority centralized in a single person, and little formalization



Common Organizational Designs: Bureaucracy



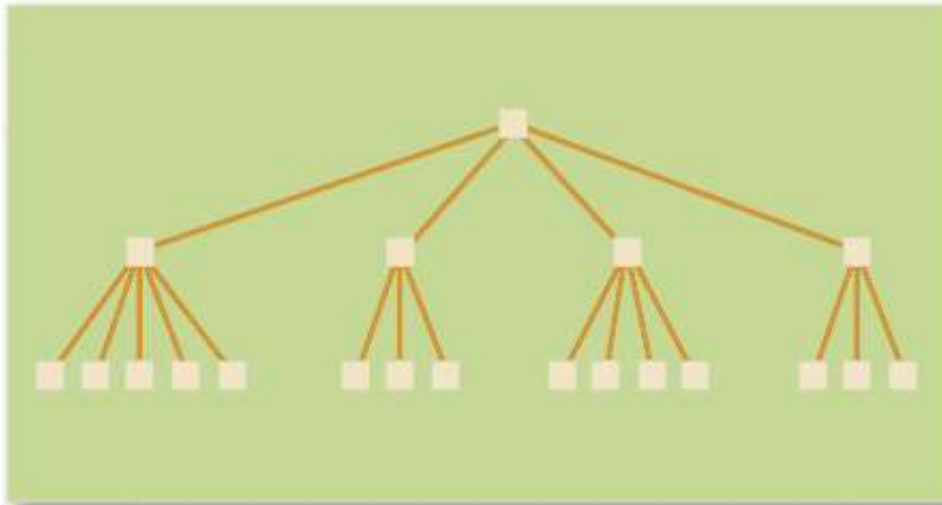
- Bureaucracy
 - A structure of highly operating routine tasks achieved

Common Organizational Designs: Matrix

- Matrix Structure
 - A structure that creates dual lines of authority and combines functional and product departmentalization

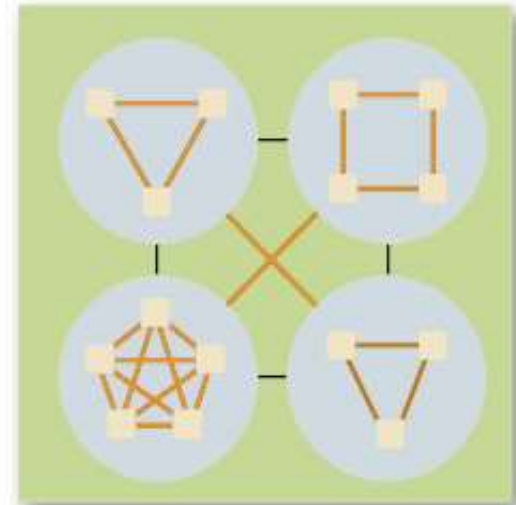
Two Extreme Models of Organizational Design

The mechanistic model



- High specialization
- Rigid departmentalization
- Clear chain of command
- Narrow spans of control
- Centralization
- High formalization

The organic model



- Cross-functional teams
- Cross-hierarchical teams
- Free flow of information
- Wide spans of control
- Decentralization
- Low formalization

Discussion – Various Org Structure Strength and Weakness

Organization Structure	Strengths / Weakness	Best fit Industry
Bureaucracy		
Matrix		
Simple / Flat		
Boundaryless		
Which nature of business best fit to each of the above organization structure?		