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HUMAN RESOURCE MANAGEMENT

ASSESSMENT 2

In creating an international company or globalizing companies it is necessary to incorporate international human resource management. Managing people across international borders in congruence with business strategies and goals of the multinational companies (MNCs).

“IHRM was considered to have the same main dimensions as HRM in a national context but to operate on a larger scale, with more complex strategic considerations, more complex coordination and control demands and some additional HR functions” (Sparrow, P., Brewster, C. and Harris, H., 2004, p. 2).

Looking to the future, “the Internet and e-commerce further increases the international flow of goods and services. The expansion of the Web has an impact on organisational structures, business processes and global trading models” (Sparrow, 2001, Harris et al., 2003 cited in Sparrow, P., Brewster, C. and Harris, H., 2004, p. 1).

In order to survive in the global economic market, a multinational corporation (MNC) relies on the capability of international human resource management during the internationalization process. MNCs in the Internationalisation of a firm could be different: International, Multinational or multi-domestic, Regional, Global, Transnational. It is the IHRM’s responsibility to enable the MNCs to be successful globally. “Central to network management is an emphasis on human resources that recognizes that knowledge, power, and perceived trustworthiness are often person-specific rather than organization-specific” (Dowling, P., Festing M., Allen D., 2013, p. 16).

IHRM – the global firm

With such a saturated market in most countries, the demand for new markets and opportunities is global. The design of the offered products and services, opportunities for work depending on the country's policy, culture, religion, values and interests of the population are increasingly developing, offering innovative solutions and new technologies. New ideas and innovations are constantly being sought.

When looking at international market opportunities we should also take into account the state of the world economy, global markets, political environment and international risk. The necessary research for the reasons that motivate people to work, standard of living, religion, training, creation of necessary communication and dissemination networks, units, strategies and possible levels of risk. “The complexity of international HR can be attributed

to six factors: 1 More HR activities. 2 The need for a broader perspective. 3 More involvement in employees' personal lives. 4 Changes in emphasis as the workforce mix of expatriates and locals varies. 5 Risk exposure. 6 Broader external influences. Each of these factors is now discussed in detail to illustrate its characteristics" (Dowling, P., Festing M., Allen D., 2013, p. 4-5).

The development of international management research can be divided into three categories:

- 1 The management of firms in a multinational context, such as the internationalization process, entry mode decisions, foreign subsidiary management;
- 2 Comparisons of management practices across different cultures and nations;
- 3 Management in specific countries.

Religion and traditional beliefs, human values are some of the main features that define national cultures.

Geert Hofstede proposed that culture is "the collective programming of the mind which distinguishes the members of one human group from another"

"Hiltrop (1995) noted the following HRM areas that may be affected by national culture:

- decisions of what makes an effective manager (performance management);
- giving face-to-face feedback;
- readiness to accept international assignments;
- different concepts of social justice;
- pay systems (reward management);
- approaches to organizational structuring" (Armstrong M., 2014, p. 467).

The research of Geert Hofstede and his team is of great value for any company operating internationally. According to Hofstede (Hofstede Insight, 2020) the culture of each country is "software of the mind". Every single business that combines cultural forces in their working process will be able to get competitive advantage. The entire Hofstede study is based on academic theories, analysis and data, which is extremely useful for the preparation and implementation of HRM practices and strategies in the work of the companies operating or expanding their businesses internationally.

Sukies Co

Patties Co - Bangladesh

Applying the Hofstede 6-D Model© (Hofstede Insights, 2020) we consider Patties Co in the context of the culture and traditions in Bangladesh.

Power Distance

Bangladesh scores well in this dimension (score 80), which shows that there is a hierarchical order, power is distributed unevenly, people expect to be told what to do. Power is based on family, religion, traditions and force. Inequality is accepted, decisions are made by the authorities or superiors and are not questioned. Bangladeshis expect the most senior male,

by age or position, to make decisions that are in the best interest of the group. This is also valid in businesses.

Individualism

Bangladesh, with a score of 20 is considered a collectivistic society. This dimension is related to the notion of people's self-image is defined in terms of "I" or "We". In collective societies, individual risk is almost none. The opportunity to share and develop their knowledge and skills is set by the authorities or the employer, in which case the individual is deprived of decision-making and responsibility and creates a zone of comfort and tranquillity.

Masculinity

In Bangladesh this score is a high 55%. In Masculine countries people "live in order to work", managers are expected to be decisive and assertive and conflicts are resolved by fighting them out. This index shows that solutions must be found on how women fit in the social environment and the community, to discuss issues like gender socialization, masculinity, power dynamics, sexuality and gender-based violence.

Uncertainty Avoidance

Bangladesh scores 60 on this dimension. Countries exhibiting high Uncertainty they need rules, people want to be busy and work hard, innovation is not easily accepted precisely because it can disrupt their tranquillity and stereotype. Bangladesh has a high rank of uncertainty; it means creating rules and a centralized structure that is easy to manage.

Long Term Orientation

Bangladesh has an intermediate score at 47. This means that people are more likely to hold a job for life. That is a characteristic of persistence. It is because of traditions and norms that people do not like the challenge of the new.

Indulgence

Bangladesh has a very low Indulgence score of 20. This makes it a Restrained country. People in such societies are considered cynical and pessimistic. They do not think that it is right to indulge in their desires and impulses precisely because of their upbringing, family traditions and religion. The growth of the personality is suppressed and regulated. People feel treated unfairly and there is an expectation of a job well done for a reward.

HRM refers to those activities undertaken by an organization to effectively utilize its human resources: Human resource planning, staffing, performance management, training and development, compensation and benefits, industrial relations

When looking at international human resource strategies in Bangladesh and in particular in Patties Co it would be good to start with the external environment such as the national culture, which includes the laws, the central power and the specifics of offering. On the other hand, what kind of policies and strategies is the internal environment supposed to use. "Culture consists in patterned ways of thinking, feeling, and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups . . . the essential core of culture consists of Traditional [. . .] ideas and especially their attached values..." (Kroeber A. and Kluckhohn C., 1952, p. 181).

There are family relationships between senior managers, mostly men. This issue could be addressed by including third-country nationals, presence of a person from another country on a senior post. This would allow for an easier adaptation to the internal factors of the company. The remaining candidates for the high positions at the local level should possess functional, communicative and managerial skills.

In the company, training and development is at a minimum level, which speaks of a lack of interest from employers to retain and develop employees.

It is necessary to make a good assessment of which of the three main models for managing global pay can be applied: central approach, pay is determined by the head office; State-based pay based on local wages and rates; or a hybrid combination of the two. "The minimum wage is set nationally every five years by the National Minimum Wage Board in a tripartite forum industry by industry. Bangladesh's minimum wage was last changed in 1-Dec-2013" (Bangladesh Minimum Wage Rate, 2020). Depending on cultural norms, remuneration policies may change. People in Bangladesh are interested in extra remuneration, rewards, salary and disposable income. The traditional remuneration model applies. Business results, individual and team performance in the work process must be taken into account for objective payment. According to PBR systems, the advantages are: Motivating employees to make greater efforts, which will be rewarded even with increased output. Disadvantages are: Quality suffers from the pressure to achieve high levels of production and the lack of benefits from increasing production. "There is no single consistent data source that contains all the necessary information to analyse the links among growth, employment, productivity, and poverty" (Paci, P. and Sasin, M.J., 2008: 10).

There is no official induction, skills and knowledge requirements and job description for employees. "It is necessary to provide an equitable pay system, a method of evaluating positions, promotion system and process and appropriate bonuses and special work conditions. pay structures which are broad banded to encourage flexibility at work and flexible deployment, and which increase line manager discretion a flexible benefit approach which aims to promote individual choice within a diverse workforce" (Pilbream S. & Corbridge M., 2010).

A truly effective approach to internal communication will support a culture of trust and transparency. Successful communication built on a shared sense of purpose and aligned to organisational strategy receives attention and support from senior leaders, the need for dialogue, assessment for effectiveness. Opportunity for feedback between employees and employers.

Ethical practises in open culture improves morale, good relations with customers lead to an enhanced reputation. To operate ethically an organisation needs an ethics programme to support and bring its values to life, which will in turn create positive attitude of the employees to the company.

The division of labour is based on age and education. Women traditionally are in charge of household. The role of the women is at home around the children and family. Islamic

practice reserves prayer inside the mosque for males only, women practice religion within the home. The women are not generally publicly active in politics. The man takes decisions for almost everything. In all areas of life, the presence of a man is tolerated. The rights of women are confined and education is a lot less accessible than it is for men.

Bangladesh is awash in social change programs. Those organizations support project areas such as population control, agricultural and economic development, urban poverty, environmental conservation, and women's economic development.

In order to utilize the workforce management strategy in Patties Co, HR data and “global talent pool” would be beneficial to use.

Adding value to the company is important part of the success. The need to retain talented employees, to improve customer service, training the staff, client presentations, new methods of sales, which would also lead to greater profits and add value to the organization.

For the better future of the company, it is necessary to comply with the HR practices and strategies. “Research HR software market through trade exhibitions and publications; review HR processes and existing systems; obtain references from existing customers, including site visits” (Armstrong M., Taylor S., 2014). To apply the same HR practices from Sukies Co to Patties Co, we have to take into account the local cultural differences, and to observe the company policies that are created by the managers.

Conclusion:

When Sukies Co acquired Patties Co, such a big difference was not expected from the practices and strategies of the HR sector, failure to address this problem would possibly lead to lower profit and losing competitive advantage.

It should be taken into account that in order to be able to implement the necessary strategies and practice, we need to get acquainted with Bangladesh's politics and culture, which are the basis for tackling the problems. The violence and harassment of abused women and children, according to statistics, have risen significantly in the last year (National Women Policy, 2010-2019). Examining a woman as a housewife is a major factor in the low employment of women. Bangladesh is trying to deal with these problems with a number of organizations that are striving for a better attitude from men to women and integration of the woman “The National Women Policy was passed by the Parliament in 2010. It features different steps that are taken to combat violence against women and children” (Global-database, 2010). Women’s work is often undervalued and under-reported. The invention of flexible working hours and part time work will allow women to still have time for housework, their children and their families.

The presence of a third-country nationals in the management team, that would not be subjective in the decision making and execution is necessary.

Training of employees and providing progression and development opportunities for the staff.

Offering long-term contracts for increased liability and responsibility on the part of employees because we have witnessed 35% turnover.

Staff to get properly inducted and provided with handbook with company policies their rights and obligations, job description.

Strengthen the ethical culture in the company, meetings with employees and explaining the problems and opportunities for feedback from employees. Simple forms of reward like praise recognition and thanks.

Create a database of candidates.

Improvement of the company's face, including promotions of the offered products, development of online promotional channels.

All these improvements will lead to financial and non-financial benefits.

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