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RESEARCH ARTICLE

IMPACT OF GLOBALIZATION ON HRM POLICIES FOR SUCCESS IN THE INDUSTRIAL REVOLUTION

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ABSTRACT

Globalization as an ongoing process allows and promotes the development of economy of big countries as well as developing countries that are seeking their place in the global market. Interactive communication has been enabled between people, companies, civil society organizations and other institutions, whose needs can be met over the internet anywhere in the world and at any time. Also, professional and competent human resources are needed and therefore it is necessary to invest in new knowledge, innovation, new technologies and lifelong learning. In this environment, management sets its strategic goals through which it will be able to carry out the plans for the sale of products or services. Nowadays, a manager has to have interdisciplinary skills and lifelong education because only in this way it is possible to respond to the constant and rapid changes in the world. Global environment requires the continuous research, monitoring competition, innovation and the ability to change rapidly.

INTRODUCTION

Globalization has made the world very small. We have to cast human beings to tune with newer requirements for which they require knowledge. Knowledge is based in experience, faith, common sense & interest for particular point of view change in selection, recruitment programme, induction programme, and training and development policies are needed to be made. Most of the HRD programmes are limited to classroom training in many organizations. This is another drawback of HRD. On-the-job training, MBO intervention, developmental programmes, career planning, counseling and such other methods must also be used for developing the people. Actually speaking unless a proper learning atmosphere is created, no training programme would be able to produce expected results.

In many organizations, adequate information and data base may be must, therefore, be given first priority, which many managers neglect. Lacking, this is a serious threat to accuracy of information without which HRM practice is difficult. In many organizations, even the personnel professionals misunderstand HRM as synonymous to HRD. Some classroom training programmes are generally arranged, which are called HRD programmes. These programmes are understood as human resources management. Such cursory classroom programmes are not the actual HRD programmes, and even a well planned and executed HRD programme is not HRM. HRD is only a part of HRM which is an integrated approach to management.

Undoubtedly, human resources management suffers from such limitations. But the impact it has made on the managerial effectiveness has been spectacular wherever it was introduced. Actually speaking a real need exists in every Indian Organization for an HRM approach.

Need of the study: A HR department or Human Resources Department is an essential part of any company, be it a start-up, or an established company; no matter how big or small the business is. The HR department of any company is the people who have been hired as employees of a company to select, recruit, assess new candidates, as well as create the procedures and HR policies of companies. It is not necessary for two companies to share the same HR policies, but it is necessary for the employees to follow the policies and procedures of their own company. It can be said that the HR department and its policies and procedures are the real backbone and foundation of a company. As the HR team is responsible for recruiting the right people in the company, and there after managing these people and their needs, queries, and various problems. Without a strong HR team and even stronger policies and procedures, no organization could run smoothly. As every individual working in an organization is different, each individual has their own set of wants, needs, aspirations, problems, and how they plan on fixing these problems. An entire load of all this falls upon the HR department of an organization. Globalization has made the world very small.

We have to cast human beings a tune with newer requirements for which they require knowledge. Knowledge is based in experience, faith; common sense & interest for particular point of view change in selection recruitment programme, induction programme, and Training and Development policies are needed to be made. These policies can be made efficiently by understanding the process of globalization and its influence on the human resources aspect of the organizations. The globalization has both positive and negative impact on the organizations' human resources. This study makes an attempt to know the positive influence which is to be retained in the organization for its benefit. And also it tries to enumerate the negative influence which has to be eradicated through formation of new policies suitable to the global environment.

Objectives of the study

- To study the implications of globalization on the HR policies
- To find the challenges and barriers faced by the Human Resource Department
- To understand the changes in the roles and responsibilities of Human Resource Department
- To access the role of information technology for human resources department in the era of globalization
- To determine the likely changes in the Human Resources Policies as a result of globalization forces

Sources of data

- **Primary Data:** The primary data includes data collected through the discussion with the concerned executives of the organization.
- **Secondary Data:** The secondary source of data includes official records, various publications of the organizations and annual reports audited financial statement and company websites.

In the present study, an attempt has been made to know the positive influence which is to be retained in the organization for its benefit. And also it tries to enumerate the negative influence which has to be eradicated through formation of new policies suitable to the global environment. This study is undertaken by taking both primary and secondary data.

Primary data: It collected from various respondents through a questionnaire. The questionnaire consisted of questions related to aspects of globalization, its effect on Human Resources Policies and Human Resources Department. The questionnaire was sent to 80 respondents including research scholars, IT professionals, Government servants, and officials from various corporate. Out of 80 respondents 59 responses were collected for the study.

Secondary data: The study also includes secondary data that has been collected from various case studies, research journals, published articles, magazines, online database and other published information. The procedural details have been collected from the respective manuals, booklets etc.

Findings of the study

Findings from the case study

The case of Malaysian Public Service: The Malaysian Public Service has changed a lot many things in its HR policies with respect to time and to be specific with respect to globalization. The Malaysian Public service has undergone the following changes in the HR policies.

- Remuneration System
- Career development
- Allowances & perquisites
- Training & development
- Performance appraisal system
- Application of ICT

The case of South Korea: The HR policies of South Korea has undergone the changes in the aspects of,

- Recruitment
- Performance appraisal
- Compensation management
- Organization systems

The changes in the above mentioned points are explained in the following table.

Findings from the observations

Whether globalization has a positive impact on the organization or not: This question was intended to know the reactions of employees, IT professionals, research scholars and various other people towards globalization. There were 58 responses for this question and maximum had the positive view of globalization towards their organization. A total of 44 respondents agreed about globalization having a positive impact on their organizations. Only 10(14.4%) respondents disagreed of globalization having a positive impact while 5 respondents (8.6%) were neutral about the globalization impact. Thus around 76% of respondents including IT professionals, industrialists, research scholars etc feel that globalization has a significant impact on the success of the organizations.

Globalization has significantly influenced and changed certain HR policies of various organizations: The aim of this question was to know does globalization influences or changes the policies of the organization. Out of a total of 57 responses for the question, maximum number of respondents counting to 52 (91%) agreed that globalization and its impact has influenced extensively certain aspects of the organizations' policies. On the other side of the coin only 1(2%) respondent disagreed to the same while 4 respondents (7%) remained neutral. From the data of the respondents it can be said that globalization not only affects the organization but also affects its policies and practices. And it will not be wrong by concluding the same because to be effective in the operations, an organization has to be effective in its policies also. By summing up the above two responses it is evident that for having a positive impact of globalization on the organization there should be policies as per the need of the hour.

Impact of globalization on individual HR policies of organizations: With this question an attempt has been made to know and understand on which individual HR policy globalization poses an immense impact. Multiple responses were gathered for this question from a total of 57 respondents. The results hierarchy includes training & development in the top most level, followed by performance management system, recruitment and selection and career management. From the graph it can be seen that training & development programs instituted by various organizations has been significantly affected by the globalization followed by the practices of performance management systems.

Table 1. Changes in HR policies of Malaysian Public Service

HRM Areas	Changes adopted
Remuneration system	<ul style="list-style-type: none"> Starting salary of employees, who have been confirmed in service and after appointed to another scheme of service, is to be at least one salary increment higher than the previous position; Probationary period of 3 years under the NRS is modified to 1 year including for those under Promotion through Appointment Employees who have been approved full pay study leave are to be granted actual salary progression during the duration of their courses; and Employees who are approved for alternative salary range due to various reasons such as study leave or chronic illness are granted notional salary progression of not more than 3 times during their entire tenure of service.
Career development	<ul style="list-style-type: none"> Addition of promotional grades Redesignation of grades using Numeric Data Range Coverage of critical services Reformulation of service schemes
Allowances & perquisites	<ul style="list-style-type: none"> Addition of another salary point to maximum salary points in all Salary Schedules. All Matrix Salary Schedules of promotional grades are modified from 3 Levels to 2 Levels while those in the appointment grades are retained. Thus, employees in Level 2 of promotional grades have gone through a salary conversion exercise effective from the date MRS was launched.
Performance appraisal system	<ul style="list-style-type: none"> The introduction of five separate Annual Performance Appraisal Report forms according to the various service groups Adjustments on the aspects, criteria of evaluation and weightage used Merging of the Annual Work Target forms with the Annual Appraisal Report forms to ease the preparation of the annual work targets
Training & development	<ul style="list-style-type: none"> Special talks and panel discussion, e.g. Premier Civil Service Dialogue with the Prime Minister (MAPPA); INTAN Executive Talk (IET) and Executive Roundtable - INTAN (ERTI). Special seminars, e.g. Seminar on Managing Change in the Era of Electronic Government; and Managing Public Sector Output in the Knowledge-Based Economy Annual conference, e.g. National Civil Service Conference; and Publications, e.g. Bulletins; INTAN Management Journal; INTAN Management Series; and INTAN Executive Series
Application of ICT	<ul style="list-style-type: none"> Introduction of EG-HRMMIS Adoption of DSS Web-based publishing

Table 2. Changes in the HR policies in South Korea

HRM Areas	Old Characteristics	New Characteristics
Core Ideology	<ul style="list-style-type: none"> Organization first Collective equality Community oriented 	<ul style="list-style-type: none"> Individual respected Individual equality Market principle adopted
Human Resources flow	<ul style="list-style-type: none"> Mass recruitments from new graduates Job security (life time employment) Generalist oriented 	<ul style="list-style-type: none"> Recruitment on demand Job mobility (life time career) Development of professional
Work systems	<ul style="list-style-type: none"> Tall structure Line & staff; function based Position-based 	<ul style="list-style-type: none"> Flat structure Team systems
Evaluation & reward	<ul style="list-style-type: none"> Seniority (age, tenure) Pay equality perused Evaluation to advance in job & grade No appraisal feedback Single-rater appraisal 	<ul style="list-style-type: none"> Qualification-based Ability & performance (annual pay) Merit pay systems Evaluation for pay increases Appraisal feedback 360° appraisal
Employee influence	<ul style="list-style-type: none"> Relatively less involvement Relatively less information sharing 	<ul style="list-style-type: none"> Involvement of knowledge More information sharing

The training & development practices have changed dramatically within a last few years. The need and requirement of training & development programs, their execution and follow-up has been influenced and changed with respect to globalization. On the part of performance management systems the methods have changed from only evaluation to feedback and consulting, from superiors' evaluation to 360 degree and 720 degree evaluation. The recruitment & selection has also been influenced to a great extent. 49.1% (28) respondents supported for recruitment & selection being significantly influenced by the globalization.

The influence and changes in the practices of recruitment & selection has been seen from employment exchanges to social media, employee referral etc. Few respondents (10) i.e., 17.5% had the view that globalization has influenced the career management practices. It can be justified by the need of competency mapping with respect to attributes like behavior, attitude, cultural practices & influences etc.

Challenges were faced by organizations as a result of globalization: It is evident that for adopting any new change or new practice there will be some kind of constraints or challenges faced by the organization or by the employees of



Figure 1.



Figure 2.

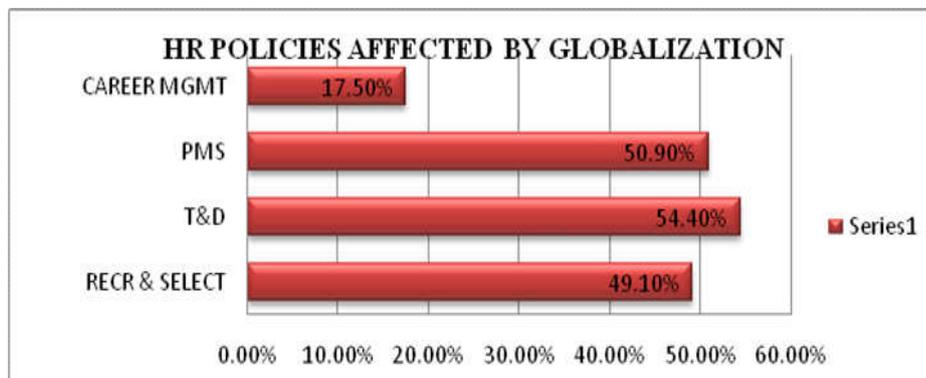


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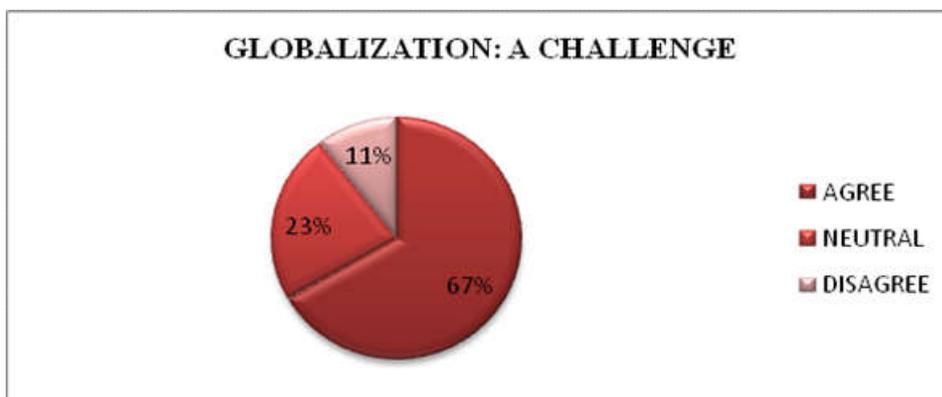


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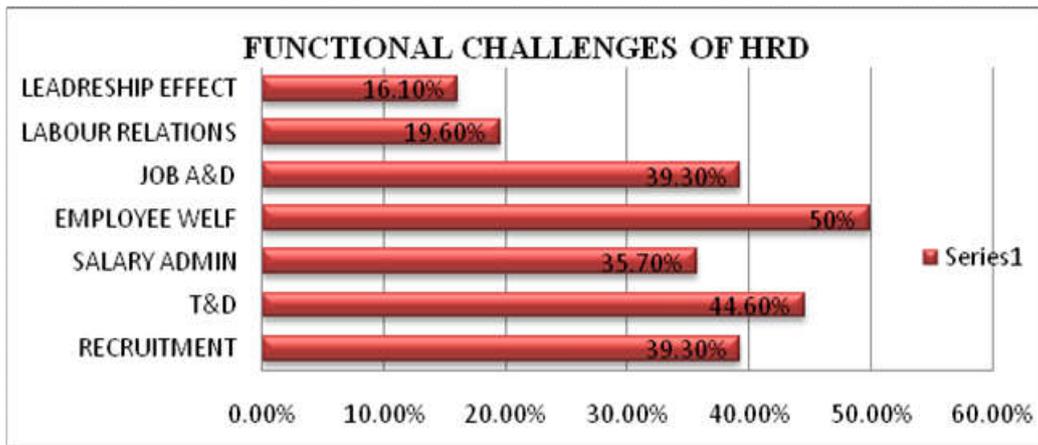


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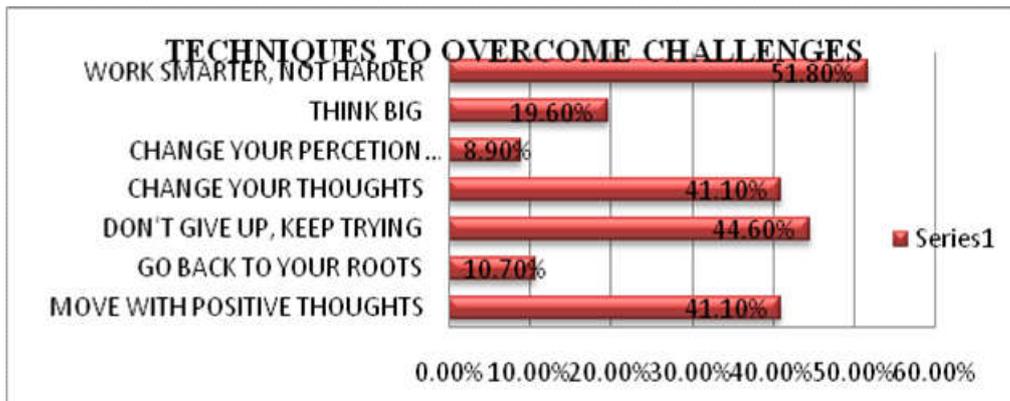


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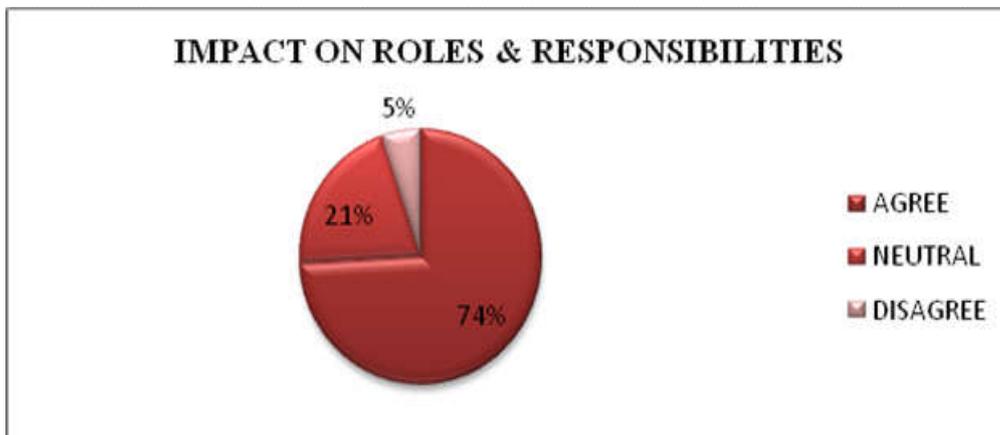


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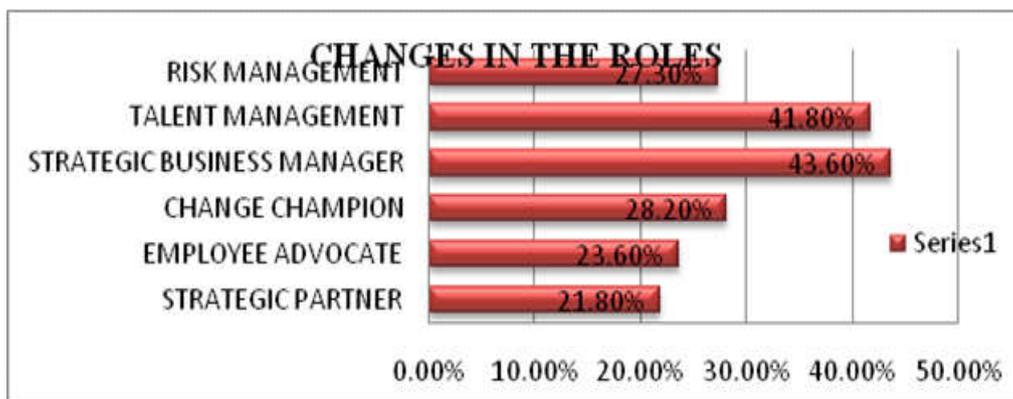


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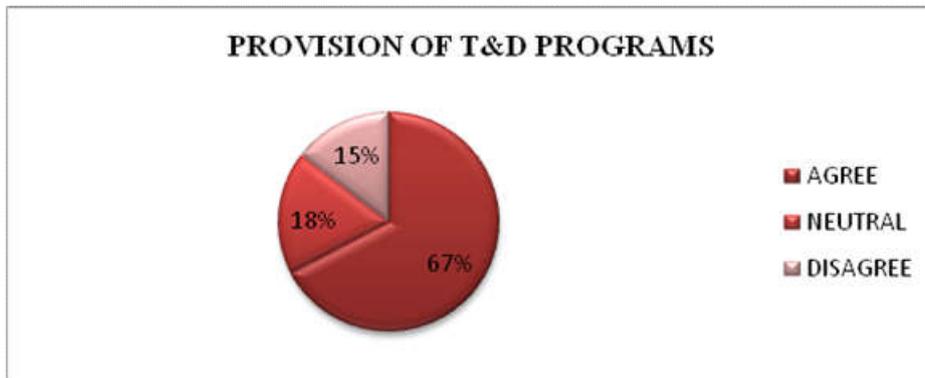


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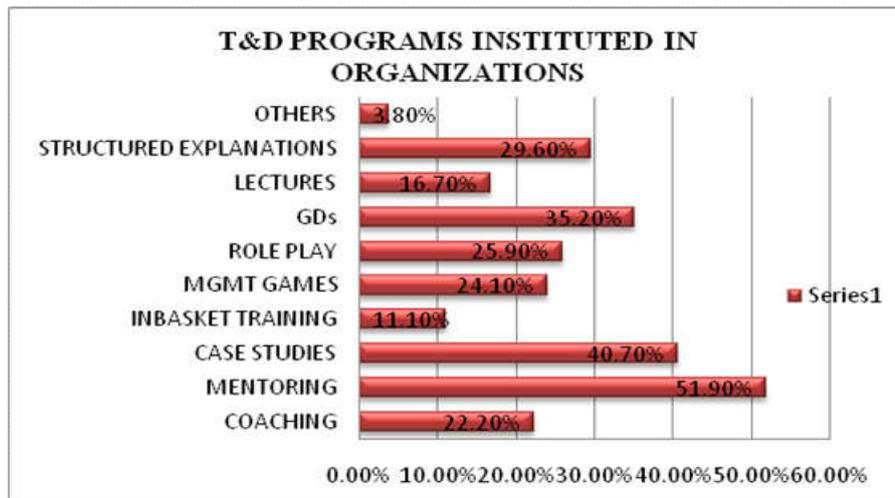


Figure 14.

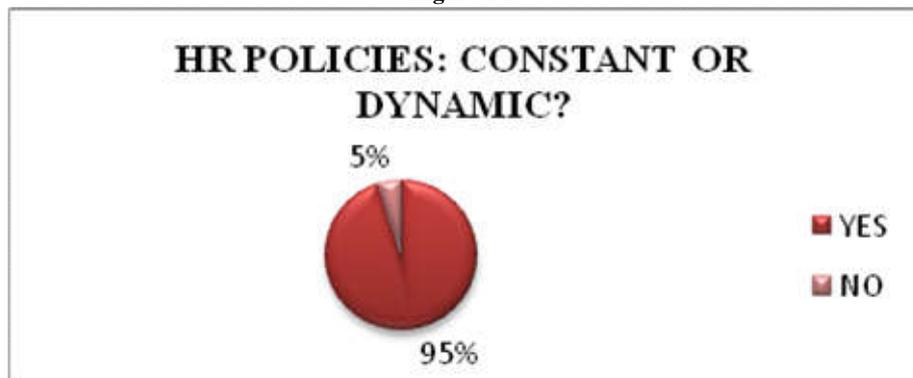


Figure 15.

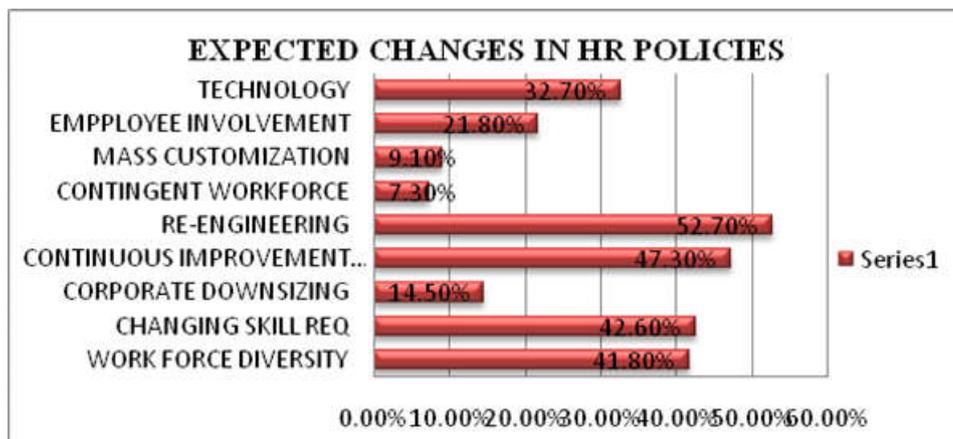


Figure 16.



Figure 17.

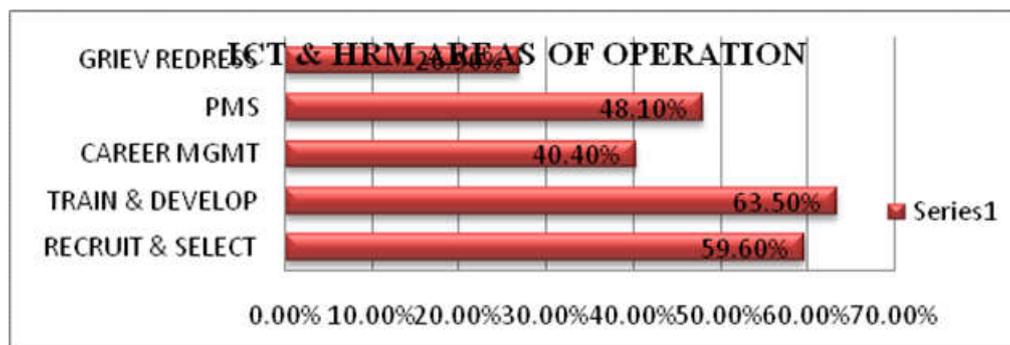


Figure 18.

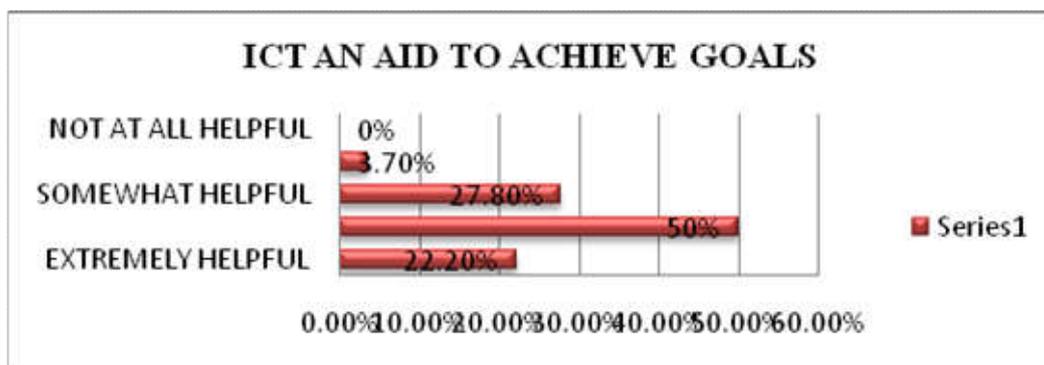


Figure 19.

the organization. This question aims to find and study whether the organization and its Human Resources Department faced any kind of challenges or not. Around 67% of respondents (38 in number) agreed that challenges were faced by the organizations and its Human Resources department with respect to globalization. 11% of the respondents disagreed regarding any kind of challenges being faced by the organization. Due to lack of information about the company’s Human Resources policy and its changes 23% remained neutral with respect to challenges faced by the organization.

Different functional challenges faced by the Human Resources Department of various organizations: The organization faces many challenges which may be either in the form of functional or non-functional. This question focuses on the type of challenges faced by the HR department in view of globalization.

Maximum respondents being 50% of the survey were of the view that the major challenges were faced in the area of employee welfare. Employee welfare being a major concern of any organization includes matters concerning difference in culture & values, health & safety and other recreational facilities. As a result of globalization the organization faces a lot of challenges in meeting the needs and requirements of the employees in terms of employee welfare. The next major challenge is faced in the area of training & development being 44.6% of the survey, followed by recruitment and job analysis & design being equal in view of the respondents (29.3%). The area of salary administration also faces challenges (35.7%) depending upon the nation in which the organization is based and the wages/salary paid to the workers/employees by the other organizations in the same industry. The area of labour relations & leadership effectiveness faces least challenges with respect to globalization being 19.6% and 16.1% respectively.

Techniques adopted and used to overcome the challenges:

To overcome any challenge some method is being used by the organizations. The aim of this question was to study the various methods being adopted by the organizations' HR department to deal and overcome the challenges and barriers faced. Multiple responses were collected from respondents for this question. From all the responses collected, "*work smarter, not harder*" technique being 51.8% of the survey was adopted by maximum organizations to deal with the challenges. In other words the technique of motivating the employees was adopted to cope up with the situation. The other techniques used to overcome the challenges were "*do not give up, keep trying*", "*changing the perception towards challenges*", and "*moving with positive thoughts*". From the above analysis it can be concluded that maximum organization prefer the technique of motivation but in a different manner.

There is also a significant impact on the roles and responsibilities of the HR personnel:

Globalization having an impact on the HR policies of the organizations also imposes an effect on the roles and responsibilities of the HR personnel of the organization. The question was intended to know the intensity of the impact. According to the survey, 74% of the respondents agreed regarding the impact of globalization on the roles & responsibilities of HR personnel. This is because with the changes in the need of the organization the employees and their nature of job also changes. Only 5% of respondents disagreed to the point and 21.4% remained neutral and this may be because of lack of knowledge and information about the HR department operations.

Changes in the role of HR manager: Earlier the role of HR personnel/ HR manager was limited to the functional areas of HRM viz., recruitment & selection, training & development, salary administration, performance management system, grievance redressal etc. But with the changes in the objective and goals of the organization the role of HR manger/personnel has also gone through a dynamic change. According to the survey, the role of HR manager has significantly changed to a strategic business manager as opined by majority of respondents (443.6%) followed by talent management opined by (41.8%). The HR manager is now not only concerned about the HR functional areas or the issues of HR department, but also about the strategic issues of the organization as a whole. Apart from these two the HR manager is now also concerned about the change management process being a change champion in the organization. Around 38.2% of respondents have opted for the same.

Organizations provide adequate training and development to the personnel to cope with the globalization:

When there is any new adoption in the organization it is required to provide proper training facilities to the employees so that they are able to cope up with the changes adopted. Similarly globalization has led to a number of changes in the policy, procedures and practices of organization, and accordingly adequate training programs are also required. According to the survey, 67% of the respondents confirmed about adequate training being provided to cope up with the globalization.

Types of training programmes instituted by the organizations for the employees in view of globalization:

The method of training varies from organization to organization to cope up with the impact or effect of globalization at multiple levels.

The responses to the question regarding the type of training method adopted ranked the following methods in the top three of the list.

- Mentoring (51.9%)
- Case studies (40.7%)
- Group Discussions (35.2%)

Two of the respondents provide information about the techniques adopted by their organization. As per their shared information, organizations follow the certification training program to cope up with the issues of globalization.

Expectancy of further changes in the HR policies in the near future:

Nothing is constant in this dynamic world. The goals and objectives of the organization keeps on changing with respect to the changes in the (market) economic environment. Globalization being an important dimension of economic environment aids in the changes in the goals and objectives of the organization. The pace at which everything is changing is quite fast and the change may be expected to continue in the future time to come. The respondents confirmed about the same with a majority of 69.1%.

Possible changes in HR policies as a result of upcoming trends of globalization:

The future is obviously unpredictable. Still an attempt has been made to study the possible changes in the HR policies in the near future.

The survey from the respondents ranked the following aspects in the top of the list of the possible changes.

- Re-engineering of the processes (52.7%)
- Continuous improvement programs (47.3%)
- Changing skill requirements (43.6%)
- Work force diversity (41.8%)
- Technology over powering personnel (32.7%)

Maximum respondents expect re-engineering of work processes to be the upcoming changes in the HR policy and somewhere this may be the need of the hour. It would help in finding and overcoming the shortcomings of the organizations' operations by eliminating unnecessary processes.

Inter-relation of HRM activities and ICT:

With globalization ICT also becomes an essential ingredient which influences the HR policies to a large extent. According to the survey, 61.8% of respondents confirmed about the inter-relation of ICT and HR operations. It shows that a large number of organizations perform their HR operations with the help of ICT.

Areas of HRM where ICT is used extensively: Being ICT an aid in the day-to-day operations of the organization, many organizations focuses its use on a specific area or on a set of specific areas of HRM. With respect to HR practices there are a lot many areas where ICT has been used for the smooth conduct of the operations. The survey shows the result where the organizations use ICT as an aid for their HRM operations and the result gives the list of top three areas of HR.

- Training & development (63.5%)
- Recruitment & selection (59.6%)
- Performance management system (48.1%)

ICT an aid to achieve HRM goals: With ICT as an aid to the operations of the HR department, it also aids in achievement of the strategic goals and HRM goals of the organization. As per the survey, maximum respondents (72.22%) strongly supported with the statement that ICT is helpful in achieving the strategic HRM goals. While 27.8% respondents stated that ICT is helpful only up to some extent.

Conclusion

From the study it is realized that globalization and its impact is of great importance to every organization, though an integral part of human resource planning and development, its application and operation and challenges makes its practice quite difficult. These recommendations are therefore made to help make these practices more effective. There is an opportunity for us to broaden the way that globalization strategies regarding resourcing are interpreted. For this we may look to some cognate academic disciplines. Organizations are using many strategies to resource internationally. They may solve skills shortages in labour markets through immigration, technology to assist remote working, alterations to business process and work standardization, the development of centers of excellence that can then be used to disseminate organizational learning throughout operations, or offshore outsourcing. There are many options available, but the study of them tends to have been studied by fields other than IHRM. This knowledge deficit needs to be addressed. There is clearly an opportunity for a more fruitful dialogue between broad communities of academic disciplines who share common research interests.

The HR function can no longer afford to simply act as a local provider of employee services. Both cost pressures and the need to leverage talent on a global scale are forcing HR executives to both think, and act, globally. On the administrative front, this takes the form of re-examining core delivery processes to determine where and how economies of scale can be realized, and how service delivery can be further improved. From a strategic perspective, globalization is more than simply achieving greater cost reductions. It is about the ability of an organization to more effectively source, develop and connect its employees, and take advantage of skills regardless of physical location. It is through managing the global requirements of both the administrative and strategic components that HR has the opportunity to further enhance its value and play an important role in the further growth of the organization. With the liberalization of the economy, and the extra competition from overseas firms, considerable pressure on the personnel function of Indian domestic companies has been created to prepare and develop their employees. In response to such pressures, Indian firms have reacted positively. There is a clear change in the priority of the HRM function in Indian firms from routine kinds of HR activities towards a strategic approach to human resource development. In this competitive era, it becomes imperative for the industries to change with time, therefore, the HRD practices being adopted by the distilleries are enabling them to develop their human resource to meet the challenges of the global world and work effectively. It is in this context that understanding the impact of globalization of the human resource management in the distillery industry needs to be studied. Human Resource Management is act of dealing with people in an organization – how to manage their behavior and activities to increase profits. According to Decenzo and Robbins, (2004), and Bernardin,

(2003), Human resources management (HRM) is the function within an organization that focuses on recruitment of management and providing directions for the people who work in the organisation. Human resources management can also be performed by line manager and deals with issues related to people such as performance management, hiring, wellness, benefit safety, compensation, training and communication.

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