

MANAGING A GLOBAL WORKFORCE

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SHRM Defining Globalization

"The inevitable integration of markets, nation-states and technologies to a degree never witnessed before..."
Thomas L. Friedman

Globalization changes the way we see the world around us and how we interact with all the dynamic forces.

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SHRM How Globalization Began

Globalization Timeline	
1984	Apple Macintosh
1990	First Internet page posted
1994	NAFTA
1996	First smartphone
2002	Euro introduced
2003-2005	Growth of tech companies
2008	Great Recession
2012	Shift in foreign direct investment to emerging economies
2016	TPP negotiations
2016	BREXIT vote in U.K.
2018	EU General Data Protection Regulation
2020	Pandemic

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SIRM The First Web Page



World Wide Web

The WorldWideWeb (W3) is a wide-area, [hypertext](#) information retrieval initiative aiming to give universal access to a large universe of documents.

Everything there is online about W3 is linked directly or indirectly to this document, including an [executive summary](#) of the project, [Mailing lists](#), [Policy](#), [November's W3 news](#), [Frequently Asked Questions](#)

What's new there?
 Pointers to the world's online information, [subjects](#), [W3 services](#), etc.

Help
 on the browser you are using

Software Products
 A list of W3 project components and their current state. (e.g. [Line Mode](#), [X11 Yoda](#), [NcXtStep](#), [Servers](#), [Tools](#), [Mail robot](#))

Technical
 Details of protocols, formats, program internals etc.

Bibliography
 Paper documentation on W3 and references.

People
 A list of some people involved in the project.

History
 A summary of the history of the project.

How can I help?
 If you would like to support the web.


Getting code
 Getting the code by [anonymous FTP](#), etc.



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SIRM Global Crises



Economics

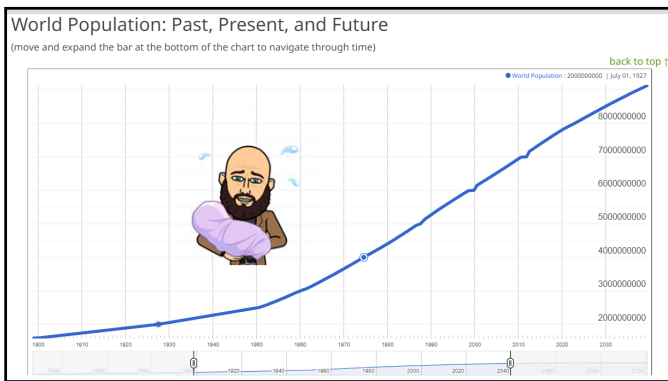
Climate change

Pandemics

Governmental changes

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SIRM **Global Forces** 

- HR needs to distinguish between large-scale forces and trends and more immediate events and “trendy” phenomena.
- Global forces (political, economic, social, technological, legal, environmental) are and should be seen as interconnected.
- While a given force’s effects are global, their impact on different cultures, industries, and organizations may be unique.

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SIRM **The Global Organization** 

Physical dispersion	Diversity of thought, people, culture
Unified organizational identity	Global for a reason

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SIRM **Role of Global HR** 

- Help create the organization’s global strategy.
- Align HR processes and activities with that strategy.
- Enhance communication between the organization and its stakeholders.
- Ensure that HR can fulfill its role and demonstrate its value.
- Adapt to the cultural and legal contexts of each area of the global organization.

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SIRM Push and Pull Factors

“Push” factors

- New markets
- Cost pressures and competition
- Natural resources and talent supply
- Government policies
- Trade agreements
- Globalized supply chain

“Pull” factors

- Strategic control
- Government policies
- Trade agreements

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SIRM Perlmutter's Headquarters Orientations

- Ethnocentric**
 - Headquarters maintains tight control over subsidiaries.
 - "One best way."
- Polycentric**
 - Subsidiaries develop strategies consistent with local business practices and cultures.
 - "Many best ways."
- Regiocentric**
 - Coordination is high within the region but not between the region and headquarters.
- Geocentric**
 - Headquarters and subsidiaries form a network, each contributing specific expertise.
 - "Team way."

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SIRM Perlmutter's Headquarters Orientations

Ethnocentric Do like me

Polycentric Do your own thing


Regiocentric Stay in groups

Geocentric Let's all do the same thing

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SIRM Strategic Globalization: GI




Global Integration	
Key Elements	Advantages
<ul style="list-style-type: none"> Consistency of approach Standardized processes/products Common corporate culture across global operations 	<ul style="list-style-type: none"> Greater efficiency Lower costs of operation Greater pricing flexibility Increased profit

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SIRM Strategic Globalization: LR




Local Responsiveness	
Key Elements	Advantages
<ul style="list-style-type: none"> Adapt to needs of local markets Allow subsidiaries to develop unique products, structures, systems 	<ul style="list-style-type: none"> Better respond to local customer needs or specialized local distribution demands Gain efficiencies from using local substitutes Better/easier compliance with local laws and regulations

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SIRM GI-LR Matrix



Global integration ↑ High ↓ Low	Global Strong links between HQ and subsidiaries	Transnational Strong links between HQ and subsidiaries and among subsidiaries
	International Weak links between HQ and dependent subsidiaries	Multidomestic Weak links between HQ and autonomous subsidiaries
	Low	High
	Local responsiveness	

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SIRM **GI-LR Matrix**

International Strategy

- Low in global integration; low in local responsiveness.
- Firm exports product/service to foreign countries; may open production facilities or service centers.
- Product/service, processes, and strategy are developed in home country.

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SIRM **GI-LR Matrix**

Multidomestic Strategy

- Low in global integration; high in local responsiveness.
- Decentralized portfolio of subsidiaries.
- Goals/strategies developed locally because of competitive demands.
- Knowledge is shared on local rather than global level.

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SIRM **GI-LR Matrix**

Global Strategy

- High in global integration; low in local responsiveness.
- Views world as a single global market and offers global products with little or no national variation or customization.
- Strategy, ideas, and processes emanate from headquarters.

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SIRM **GI-LR Matrix**

Transnational Strategy

- High in global integration; high in local responsiveness.
- Locates value chain activities in most advantageous geographic locations.
- Subsidiaries can adapt global products and services to local markets.
- Best practices and knowledge are shared throughout organization.

Global: Strong links between HQ and subsidiaries
 International: Weak links between HQ and dependent subsidiaries
 Transnational: Strong links between HQ and subsidiaries and among subsidiaries
 Multidomestic: Weak links between HQ and autonomous subsidiaries

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SIRM **Global-Local Models**

Upstream decisions made at headquarters:

- Strategy and coordination
- Standardization of processes and integration of resources

Downstream decisions made locally:

- Adapting strategic goals and plans to local realities

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SIRM **Global-Local Models**

Extent to which:

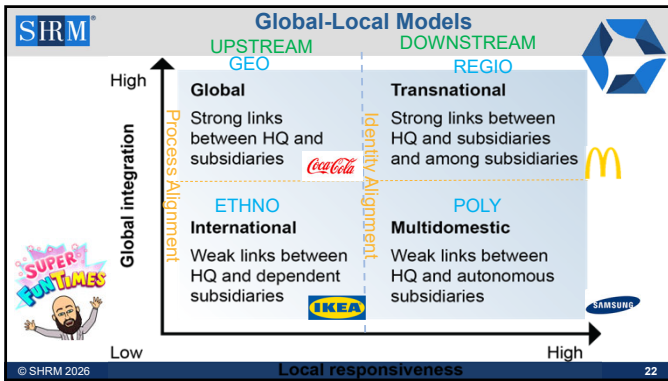
- **Diversity** is embraced in management of people, products/services, branding.
- Product/service offerings and brand identity may be adjusted for local cultures.

Extent to which underlying operations are integrated across locations, for example:

- Technology platforms.
- Business performance metrics.
- HR systems.

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Outsourcing

What is it?	<ul style="list-style-type: none"> Transfers portions of work (for example, processes or production) to outside suppliers rather than completing it internally Contracts out (or subcontracts) activities
Why is it done?	<ul style="list-style-type: none"> Reduces costs Frees up personnel and resources for other activities

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Offshoring

What is it?	<ul style="list-style-type: none"> Relocating processes or production to another country (for example, from developed countries to distant developing countries)
Why is it done?	<ul style="list-style-type: none"> Lower costs Closer proximity to production resources More favorable economic climate for taxation Financial incentives Access to talent Round-the-clock shifts "Follow the sun"
What is changing?	<ul style="list-style-type: none"> Eroding cost-saving dynamics Political fallout in developed countries

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SIRM **Onshoring**




What is it?	<ul style="list-style-type: none">Relocation of business processes or production to a lower-cost location inside the same country as the businessSometimes called "home-shoring"May include employees working from home
Why is it done?	<ul style="list-style-type: none">Lower operations costsBenefits of having local employees

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SIRM **Near-Shoring**




What is it?	<ul style="list-style-type: none">Contracting a part of business processes or production to an external company located in a country that is relatively close
Why is it done?	<ul style="list-style-type: none">Similar financial and legal constraints or trade agreements that provide social and economic stabilityShared cultural values and similar mindsetProximity benefits (for example, time differences and reduced travel costs)

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SIRM **Remote Teams**




What is it?	<ul style="list-style-type: none">To better compete and succeed using geographically dispersed teams
Why is it done?	<ul style="list-style-type: none">So organizations can draw on diverse experiences, perspectives, and knowledge to spur innovation and improve business outcomesChallenges include:<ul style="list-style-type: none">CommunicationEngagementBuilding trustAlignment

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SRM **HR Due Diligence in Moving Work**




Cost and quality	<ul style="list-style-type: none"> ✓ Wage structure ✓ Tax structure 	<ul style="list-style-type: none"> ✓ Real estate ✓ Infrastructure
Sociopolitical environment	<ul style="list-style-type: none"> ✓ Government receptivity and regulations ✓ Ethics in politics and business 	<ul style="list-style-type: none"> ✓ Quality of life ✓ Accessibility
Risk levels	<ul style="list-style-type: none"> ✓ Political and labor unrest ✓ Natural disasters ✓ IT security ✓ Personal/property security, intellectual property rights 	<ul style="list-style-type: none"> ✓ Economic stability (including currency fluctuations) ✓ Regulatory stability
Talent pool	<ul style="list-style-type: none"> ✓ Language and cultural differences ✓ Size of labor force with required skills 	<ul style="list-style-type: none"> ✓ Size of offshore sector and share of exports ✓ Availability of qualified vendors for services

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SRM **Approaches to Global Assignments**




Strategic-Systematic	Tactical-Reactive
Approach as long-term investments.	Approach as short-term expenses.
Develop executives with global perspectives to create and manage competitive strategies.	Quick-fix approach to short-term foreign operation problem.
Improve coordination among home office and foreign operations.	Randomly and haphazardly perform assignment functions, shifting focus as problems arise.
Disseminate information, technology, and values throughout worldwide organization.	Fail to integrate worldwide organization's values, technology, products, and brand.

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SRM **Types of Global Assignments**



- **Globalists:** Spend entire career moving from one locale to another
- **Local hires:** Host-country nationals
- **Short-term assignees:** Less than a year but more than a few weeks
- **International assignees:** Traditional expatriates on one- to three-year assignment
- **Commuters:** Travel across country border for work regularly
- **Just-in-time expatriates:** Ad hoc or contract workers hired for single assignment

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SIRM **Managing Allegiances**

Understanding the level and type of allegiance of a potential assignee can help:

- Identify and recruit the individual who will be most successful in a particular type of global assignment.
- Acquaint the assignee with the ways their allegiance may be challenged and the stresses they may encounter.
- Anticipate repatriation and support any unique needs the assignee may have.

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SIRM **Global Assignment Guidelines**

- View assignments as a process, not an activity.
- Recognize and consider all dimensions of the assignment experience.
- Conduct thorough and professional assessments of candidates.
- Establish and maintain realistic expectations.
- Provide training.
- Provide appropriate health and safety support.
- Provide well-planned, ongoing training and support.
- Plan, prepare for, and support repatriation.
- Address problems quickly, thoroughly, and responsively.

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SIRM **Global Assignment Process**

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SIRM Global Assignees: Assessment and Selection

1. Develop the selection criteria.
2. Involve the right people.
3. Choose the best selection methods and tools.
4. Complete the assessment/make a recommendation.

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SIRM Global Assignees: Management and Assignee Decision

- Analysis of the costs and benefits of the assignment
- Preparation of the assignment plan
- Candidate acceptance or rejection of the assignment offer

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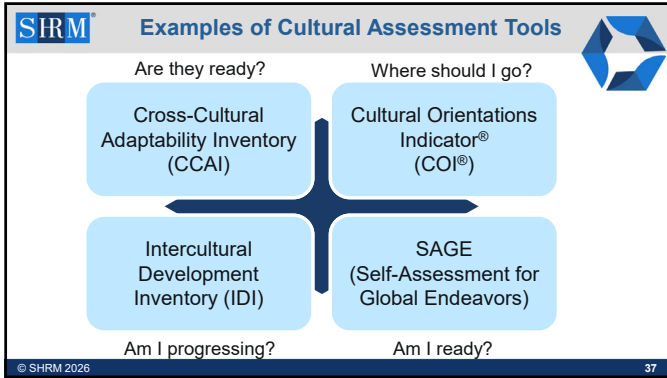
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SIRM Global Assignees: On Assignment

- Honeymoon**
Everything is new and exciting.
- Culture shock**
Challenges of living and working abroad become clear.
- Adjustment**
Understanding host-country norms and patterns and how to get things done.
- Mastery**
Ability to participate fully and comfortably in the host country.

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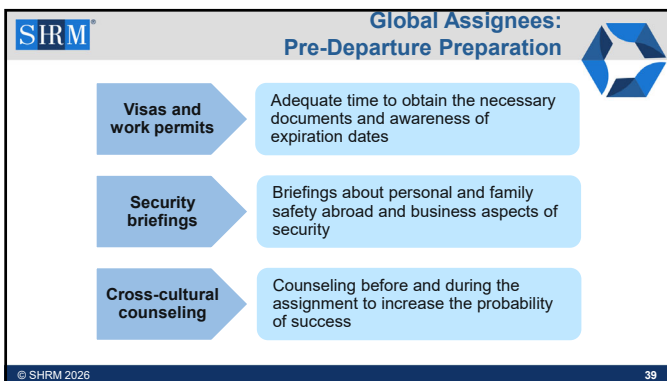
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SIRM Examples of Cultural Assessment Tools


Tool	Focus	Type	Best For
CCAI	Adaptability traits	Personality/behavior	Expat success, resilience
COI	Cultural preferences	Style comparison	Team alignment, communication
IDI	Mindset development	Developmental stage	Leadership growth, DEI
SAGE	Global leadership readiness	Competency model	Executive/global roles

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SIRM **Global Assignees: Completing the Assignment** 

Repatriation ↓	Redeployment ↓
<ul style="list-style-type: none">▪ Involves reintegrating the employee back into the home country▪ Includes adjustment to a new job and readjustment to the home culture and conditions	<ul style="list-style-type: none">▪ Involves deployment to:<ul style="list-style-type: none">— A different global location— A new location or new position in the current host country

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