

India 2020 - Human Resource Challenges: HR Best Global Practices

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Introduction

Remember: Always THINK GLOBAL - ACT LOCAL

A good Manager is a man who is not worried about his own career but rather the careers of those who work for him – **H.S.M. Burns**

“At the root of poor governance is our lethargy of change”-**Pranab Mukherjee**

With these thoughts in mind human capital plays a vital role in connecting human resourcefulness with powerful resources that is how clients, communities and countries thrive. Innovation of risky, non-innovation is fatal – Philip Kotler – HR Managers needs to be innovative and creative at all times.

Why We Hate HR?

In a knowledge economy, companies with the best talent win. And finding, nurturing, and developing that talent should be one of the most important tasks for any organization. So why does human resources do such a bad job and how can we fix it? Learning HR best practices from Field Marshal Late Sam Manekshaw, MC – Leslie Sawhney Programme of Training for Democracy, May 16th 1974 on Leadership... India's Greatest Shortage.

Until you know your job you cannot be a leader.

A leader must have the ability to think, to take a decision and accept full responsibility for it.

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Attributes of Leadership

It must never be forgotten that you are not dealing with machines but with human beings, and human beings in the mass can be horrible....wicked, cruel, corrupt, ill-disciplined. Therefore, a leader must be able to deal with them firmly and quite ruthlessly when these traits become manifest. But he must also never forget human beings have human problems.problems of death, sickness, debt. So the leader must have the human touch and the ability to win their confidence: to talk to them out of their despondency and he must have a sense of humor to make them laugh when things are not going smoothly.... A leader must learn one more thing, he must learn to shut up, when the chaps have had enough and won't take any more.

It is when your knees are knocking and your teeth are chattering that it is essential to show physical courage and assert your leadership. You can never obtain the respect of your men unless you are absolutely just and impartial in your dealings with them; without the respect of your men, you can never lead them. Provided a man has a background of family and decency and provided he is not a congenital idiot, there is no reason why we cannot make a leader out of him. To do nothing is to do something that is definitely wrong. An act of commission can be corrected. An act of omission cannot. A "Yes man" is a dangerous man, who is used by superiors, distrusted by colleagues and despised by subordinates. I give you my motto in life. It is the motto of the Scottish Regiment "Nemo Me Impune Lacessit", "No one provokes me with impunity".

....What do you need to be Commander-in-Chief?

When dealing with your men you have to be a very human man. When dealing with the Government, the bureaucracy, you have to have great moral courage. Naturally, you have to have professional knowledge. If you find a man with all the three things he will make a good Chief.... There is always one thing or other missing.... and then you will get a Chief like me, who has all three missing.

Cambridge University Research Project Report on Best practice and key themes in global human resource management - 24 November 2006:

The Report mentions areas of best practices in HR Management, which are as follows:

- **HR Best Practices:** Employee relations, The HR function, Knowledge Management, Convergence
- **Talent Management:** Recruitment, selection, and succession planning; Emphasis on global branding to attract top talent; Strong commitment to training and development; Multi-level approaches to talent retention; Talent management in emerging markets.

- **Performance Management:** Global performance management; Management of potential.
- **Reward Management:** Performance contingent pay; Market benchmarking and positioning; Total rewards models; Flexible benefits.
- **Employee Relations:** Employee relations best practice; Trade union recognition; Direct communication channels; Fit between employee relations policy and corporate goals.
- **Organizational Culture And HRM:** Emphasis on attitudes and cultural fit in the selection process; Secondary socialization and training; Rewarding employees for displaying shared values; Critical Alignment.
- **HR Functional Excellence:** The roles of corporate and subsidiary HR department; Monitoring HR department effectiveness; HRM delivery mechanisms.
- **Knowledge Management:** Common human capital practices; Unique human capital practices; Common social capital practices; Unique social capital practices; Common organizational capital practices; Unique organizational capital practices; Geographic notes.

HRM Best Practices – Global Organizations

According to research report, it has sought to identify the ways in which multinational organizations manage people in structures that are diverse in terms of geography, cultures and in some cases, strategy. International expansion requires attention to both consistency of approach and flexibility of use and the constant balancing between the need for global standards on the one hand and local market sensitivity on the other was a feature of all our organizations. The report highlights innovative HR practices, how HR functional excellence is sought, and how the knowledge and learning within HR are elicited and developed within a sample of global organizations. Using a variety of methods, the work overall has shed new light on how organizations manage people within and across borders.

The centrality, of good people management was repeatedly stressed, and not just among HR professionals, but at all levels of the organization. In the area of HR practices, researcher saw similar HR architecture across the companies, which gives support to views on convergence. Rigorous recruitment and selection procedures; training and development at all levels, developmental appraisal and performance-linked pay, flexible job design, reduced organizational hierarchies; team working; empowerment and two way communications were common features.

Value-based Employment Practices

Considerable attention placed on value-based employment practices and socialization mechanisms within the organizations enabled prized outcomes of cultural

fit of employees, commitment and retention to be increased. In the HR function, excellence revolved around a small core of strategically-enabled and talented managers supported by e-enabled HR provision and shared service centers to deal with the core administrative processes. With knowledge and learning, though knowledge capture and dissemination provokes a centralizing tendency, it was clear that organizations are trying to focus on local knowledge and ensuring there is not an HQ-centric view of the world.

The effectiveness of international HR is contingent upon the leveraging of human, social, organizational capitals at all levels and sections of the global business. These three capitals, which together come under the umbrella term 'intellectual capital', are essential to deliver and support business goals. However, as a function of organization and as a corporate activity, intellectual capital effectiveness is dependent upon skills, resourcing, relationships, informal and formal structures and processes and, perhaps most significantly of all, the meaningful dissemination and capture of practice related knowledge throughout the organization. The implications of the study are that is not simply enough to adopt 'best practice', or attempt to develop innovative practice in isolation, but organizations must ensure that practice formulation and execution is:

- Aligned with the business need at all levels, corporately and locally, and
- Integrated not only with other HR / HC practices, but with the human, social, organizational elements of the organization upon which its effectiveness is dependent.

The challenge for global HR functions is to develop the necessary competencies and skills to leverage and broker relationships with disparate line management to ensure that HR practices are aligned with the entire scope of the global business. In all of the case firms, human capital effectiveness is rarely achieved through corporate control or the mandating of practice adoption within the organization, but rather through persuasion and positioning and the education of the line of the value of human capital.

International Human Resource Management (IHRM)

We are truly living in times of exponential change. Rapid technology development is growing economies and changing the interface of business. Such turbulence increases the importance of a company's human resources, or its creative capital, in order to compete within this dynamic, unstable environment. Consequently, International Human Resource Management (IHRM) is becoming increasingly important as we move to a more knowledge-based and interactive global economy. However, IHRM research has been limited over the years and largely focused on a few issues because of cost and time constraints. Several areas need further attention, including the utilization of more theoretical perspectives to predict and explain relationships.

Resource-based View (RBV) Theory in HRM

The most widely used theory in HRM literature, the Resource-Based View (RBV), demonstrates how companies can use HRM to gain a strategic competitive advantage; thus, HRM practices are linked with each other and linked to a company's mission. This theoretical perspective has been extended to IHRM research, which has led to a more strategic view of IHRM. H.G. Wells writes in *The Time Machine*, "There is no intelligence where there is no change and no need of change." In other words, innovation and brilliance flourish as a result of change and not complacency. Wells wrote about the fast pace of technological development and social change in this science-fiction novel. He would still find the topic relevant today. In order to survive and prosper, HR need to create an internal requisite variety that matches the complexity of their environments. They should embrace change as the only constant in today's world and simultaneously create complex structures capable of dealing with change through their IHRM practices.

Competency-Based Models

The systems of competency management are based on the various models and approaches in different countries. The widely accepted definition of the competency model used by managers of Anglo-Saxon countries is the set of desired competencies – skills, knowledge, attitudes (SKA), underlying characteristics or behavior – that differentiate effective performers from ineffective ones. The link between competency and performance is highly important. In general, the competency models concern the management population in Anglo-Saxon countries. In France, the targeted groups are employees of technical activities. The debates in the French context relate to changes in job organization: management by competencies versus classification. Thus, while the Anglo-Saxon world produces "behavioral" competency models for upper and middle managers, French human resources specialists generate "knowledge" and specific "know how" competencies for technicians and operators. The competency categories used by companies are: leadership, analytical thinking, communication, decision making, building relationships, strategic planning, or emotional intelligence.

Selecting International Managers

There are common traits which managers to be assigned domestically and overseas will obviously share. Wherever a person is to be posted, he or she will need the technical knowledge and skills to do the job and the intelligence and people skills to be a successful manager.

HRM Practices in the Ghanaian Banking Sector

There is no agreement on what constitutes HRM practices let alone a prescribed set of them. Researchers have over the years proposed countless varied lists of practices however; there is no agreement on what or which practice qualifies

as an aspect of HRM. It is interesting to note that there are still some practices that form the core of the various practices proposed. These include recruitment and selection, training and development, performance management and reward scheme, however, others such as job design and employee involvement are more sporadic and are yet to gain grounds in the HRM literature. Researcher, however, puts forward seven practices namely, selection, training, appraisal, rewards, job design, involvement and status and security.

Employee Involvement

The concept of treating employees as the most important asset of an organization is an underlying assumption of HRM. As such to facilitate and enhance greater employee influence and involvement is obviously basic to successful HR practice in organization. It has proposed three principle routes to greater employee involvement which includes: Legislated standards on employee participation (example work councils, support for employee financial participation) trade unions for both formal and informal collective bargaining and management initiatives to support employee participation in the work itself and to provide opportunities for employees to voice their views on development and problems.

The Society for Human Resource Management(SHRM) – Global Reach

The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. SHRM provides resources, global best practices and a network of valuable contacts to more than 5,000 members in over 140 countries, in addition to U.S.-based HR professionals involved in global HR. As part of SHRM's commitment to developing the HR profession globally, SHRM opened offices in Beijing, China, and Mumbai, India, to help establish important two-way relationships provide education and facilitate the advancement of HR. SHRM is running a pilot program to create Member Forums in selected countries to encourage local networking among SHRM members.

Building a Global Workplace Community

Many multinational firms are struggling with a kind of identity crisis: How do we create one global workplace community out of all of these various and culturally distinct workplaces? Moreover, what do we expect of the members of that global community in terms of how they treat one another and conduct their business? When an employee in one region can send an inappropriate or culturally offensive e-mail to people around the world with one click, finding an answer to these questions is becoming more and more of a business necessity. Corporate culture and "people" issues take on new complexities when the workplace spans multiple countries and regions.

Regardless of their backgrounds or nationalities, employees must be able to work together productively to achieve business goals. Most organizations recognize

that in order to be successful, they need to fully leverage the talents of all their employees and position themselves to meet the needs of an increasingly diverse customer base. Employment laws in the U.S. and around the world have been enacted specifically to help in these areas. Additionally, language and “cultural competency” training can help transnational employees and those who interact with colleagues and customers in other countries communicate more effectively and be aware of cultural nuances and customs. But as many multinational companies are beginning to realize, legal and language standards are not enough to build and maintain a global culture and community.

Global HR Legal Standards

To build a global workplace culture, companies need to focus on the behaviors and values that will sustain productive interactions and ethical business practices across country lines. Relying on legal standards to define the global workplace culture is rarely effective. Legal standards vary from country to country – sometimes even conflicting with one another – and for U.S.-based companies, focusing on U.S. regulations as a basis for behavioral standards can send a message of American cultural imperialism that will nearly always provoke backlash. Like language instruction, legal training must be tailored to the location and is only one element of a larger strategic approach that must originate with the company’s values. This is not to say that compliance and cultural sensitivity issues are not important. On the contrary, these issues must be addressed, but they can only be successfully handled in the context of a broader value-based initiative.

Setting a Global Value-Based Standard

If values are the basis, then proper business conduct must be integrated into the corporate values. Behavioral standards should be developed and then communicated with the same rigor and process used to develop and communicate other corporate initiatives, such as those dealing with quality, service, and productivity. Therefore, the initiative must be driven by top executives and presented as a matter of corporate citizenship.

First, if the initiative is seen solely as a project of the Legal or HR department, it is destined to fail. Leaders at all levels throughout the company must make it clear they are demanding the business be run a certain way in order to achieve the organization’s mission. Second, standards must be tied to corporate citizenship – common expectations of all employees, irrespective of where they live, work, or travel. Certainly, cultural mores and experiences shape the attitudes of individuals in different regions in the world. However, employees must realize they are citizens of the organization, with all the benefits and responsibilities citizenship entails. Standards of ethical conduct need to be viewed as corporate rules rather than the requirements of

a particular country, and leadership must communicate that the rules are being adopted as business standards for the entire organization.

Just as they should with a similar initiative confined to one country or even one location, companies need to develop a set of behavioral guidelines that help employees understand how the values apply to their day-to-day conduct, treatment of one another, and business practices. Even those who speak the same language may have different perceptions of what it means to treat people with respect. So, in a global workplace, it is even more important to communicate simply and specifically, and provide examples that make sense in the individual's own environment.

Recognizing that it will likely be an ongoing and evolving process, organizations should start small with a few clear behavioral standards that link to the values. It is suggested that the standards address foundational issues such as daily behavior and actions, the importance of reporting violations or potential problems, and for managers, the importance of welcoming concerns so problems can be handled in a timely and appropriate manner. All of these behaviors impact the organization's ability to conduct business successfully, protect its reputation and brand, and minimize risk. While the dynamics of a global environment necessitate continual evaluation and adjusting, there should be a few non-negotiable traits that are required of everyone regardless of where they are located.

The Challenge of Changing Behavior Globally

Getting the right stakeholders on board is essential, because once the behavioral standards are developed, even bigger hurdles await. To get the messages out, organizations will face cultural, language, logistical, and conceptual barriers. The conceptual barriers are often most troubling. I advise companies to go into the process expecting resistance because it will happen and quite possibly in regions where you least expect it. A global initiative requires new and creative thinking because the response to tried-and-true messages may be entirely different than what it has been seen before. That does not necessarily mean the messages are wrong, but it does mean it will have to find new arguments to address employees' resistance and build a rationale for following the standards.

Best practices in Training Activities

Training, which is a vital component of such an initiative, must be delivered by credible individuals who believe it is important to follow the behavioral standards, can articulate the importance in a personal way, and are prepared to respond to conceptual challenges. The training itself must be tailored – once again, with the involvement of local stakeholders – not only with language and cultural translation but also to anticipate and counter conceptual resistance.

As a general rule, training should not be based on legal regulations. Instead it should be skill-based and grounded in company values and standards about behavior

and business practices. For compliance purposes, managers will need some information about specific laws that apply in the country in which they operate, but values and standards should anchor the course. Managers and employees should also learn how their conduct impacts the business as a global entity, and be given skills and tools to help them fulfill their responsibilities as citizens of a global organization. Just as the company as a whole is looking at its global culture and structure in new ways, employees should be looking at their behavior – and the business impact of their behavior – in new ways, too. They need to understand how behavioral standards will ultimately improve teamwork, productivity, and business results.

Continuous Professional Development & Learning

Many organizations become overwhelmed by the process or discouraged by the pace of regional acceptance. There are no quick fixes in transforming a global workplace community. It is a time-consuming process that requires careful analysis and research in advance and ongoing refinement as it evolves. While challenges seem to loom at every corner, organizations can proactively address and plan for problems by taking a step-by-step approach and involving key stakeholders early and often.

Leaders who regularly communicate the standards to employees and motivate them to align their behavior with the company's values are key. In partnership with the marketing department, they must "brand" the initiative as a critical corporate strategy and communicate it in ways that have meaning to individuals across the organization. To have impact, messages must be clear, consistent, and regularly repeated in the context of everyday business and performance. Other reinforcement, through training and additional communication vehicles, will be necessary to sustain the momentum.

Measurement should also be built into the process. Tracking progress along the way will help guide future adjustments and priorities, and data pointing to positive results can help build support in the more challenging regions. It will also help to prepare leaders to understand that this will be a gradual, step-by-step process, and set realistic goals that take into consideration the various tactical implementation barriers likely to be faced.

Ultimately, though, regardless of the differences employees of a global company may have – language, location, ethnicity, experiences – they do have at least one thing in common: they are all citizens of the organization, working to achieve the business mission. By building upon the common responsibilities of those citizens, and taking a value-driven approach, organizations can move towards creating a productive, professional, and respectful global workplace.

Conclusion/Findings

Points to Ponder for Managers V/s Leaders to Gain Knowledge and Self-Audit:

- A manager supervises his team to achieve the set objectives, while a leader inspires his team to achieve results.
- A manager has mission to accomplish, a leader has vision to see through (Welsh and Welsh, 2005).
- A manager work on people to achieve results, a leader work with people to achieve results.
- A manager's aim is to bring out the best results, but a leader's aim is to bring out the best in people.
- A managers carries out organization's directives, a leader formulates organization's directives.
- A manager supervises people for his purpose, a leader guides people for their purposes.
- A manager penalizes for mistakes done, a leader reviews and correct mistakes.

Message to our Youth on Positive Thinking and to Achieve Excellence in Life as HR Professionals

Always have positive attitude and keep trying till you succeed and quote which says "After failing twice to scale Mount Everest I will come again, and conquer you because you as a mountain can't grow but as a human being I can!"

Be patient – To quote Confucius "If you want to be with beautiful nurse, you got to be patient"

"Mistakes are painful when they happen. But years later, collection of Mistakes is called Experience,.....which leads you to Success"

Do not run after success and fruits – Do your work without expectations - Remember "As I do not crave for the fruits of action, action do not contaminate me" Karm Karo Fal ki chinta mat karo!

Life gives answers in 3 ways...It says YES and give you what you want. It says NO and gives you something better. It says WAIT and gives you the best!

Success without Stress – Always be down to earth and be humble and flexible - Be like a rubberband. Control your EGO – man's worst enemy.

Do Not Lose Your Value

"Coin Always Makes Sound But The Currency Notes Are Always Silent. So When Your Value Increases Keep Yourself Calm and Silent"

- **Passion:** Have passion to work in any capacity and enjoy every moment.
- **Believe in Time Management:** In the past we had time but no watch. Today we have watch but no time.
- **Perseverance:** Sagar puche nadi se, kab tak mere khare pani me behti rahogi.

- Nadi ne jawab diya, jab tak mai tera paani mitha na kardun tab take mai tere pani me behti rahogi.

Be like a Diamond – Follow Four C's – Carat, Cut, Clarity and Colour – In trying times, never stop trying! After all, the word "diamond" originates from the Greek word "ADAMAS", meaning "UNCONQUERABLE"!

JRD Tata on Excellence

JRD Tata was asked how he managed to achieve excellence and accolades as Chairman of Tata Group and his reply was: "The very first time I flew an airplane and looked down I couldn't see anything, not the biggest of buildings nor the factories, even large hills & rivers appeared mere lines..... I've never felt too much of our achievements since then..... "

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