

Globalization Implications for Human Resource Management Roles

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Abstract Globalization influences organizations that compete for customers with high expectations for performance, quality, and cost. Globalization also exerts pressure on the Human Resource Management (HRM) function to adapt to changing organizational needs and add greater value. This paper first reviews global trends, HRM roles, and the implications of globalization and culture for HRM. Using Ulrich's (Human resource champions: The new agenda for adding value and delivering results. Boston: Harvard Business School Press, 1997) HRM model and Hofstede's (Culture's consequences: Comparing values, behaviors, institutions and organizations across nations (2nd edition). Sage: Thousand Oaks, CA, 2001, Academy of Management Executive 7:81–94, 1993, Organizational Dynamics 9:42–63, 1980) model of national cultural differences, it is argued that knowledge of global business trends, cultural sensitivity, business knowledge, understanding local employment practices, technical skills, and innovation are increasingly important, especially in Multinational Corporations (MNC).

Key words human resource management · role · globalization · culture

Introduction

Globalization is an important factor that influences organizations that compete for customers with high expectations for performance, quality, and low cost (Morrison 2005). International movements of goods and services have accelerated exponentially to \$7.9 trillion (Ulrich and Brockbank 2005). Trade barriers have decreased with the advent of free trade zones in Europe, North America and Asia, including the European Union (EU), North American Free Trade Agreement (NAFTA), and the Association of Southeast Asian Nations (ASEAN).

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Harris and Morgan (1996) contended that the economics of globalization has enabled organizations to compete on an international level. In addition to free trade zones, other forces that facilitate globalization include reduced labor and production costs in underdeveloped countries, increased demand for products that are similar across cultures (e.g., cell phones), reduced global transportation costs, technology advancements (e.g., Internet), and internationally recognized standards such as ISO 9000 (Harris and Morgan 1996). As a result, an unprecedented number of organizations have increased the international focus of their businesses (DeCieri *et al.* 2005).

Internationalization of a company's operations results in competitive advantage only under certain conditions. Gupta and Govindarajan (2001) maintain that global presence may translate into competence advantage when companies integrate local market differences, realize global economies of scale, and effectively transfer knowledge and technology across borders. Best practices do not always translate to other cultures, as experienced by Lincoln Electric's difficulties implementing its piece rate and profit-sharing plans outside the U.S. (Graham and Trevor 2000; Chilton 1993) Ulrich and Brockbank (2005) argue that Human Resources (HR) must provide value to their organizations as viewed by investors, line managers and employees, and that this value results in competence advantage. To help organizations remain competitive, human resource management must refine its role and organizational contributions.

Research demonstrates that effective international human resource management (HRM) is positively related to financial performance in the United States (Watson 2001), Taiwan (Ling and Jaw 2006), and India (Khandelar and Sharma 2005). Stroh and Caligiuri (2005) linked effective international HRM to organizational performance. However, "best HRM practices" may not always transfer across countries due to cultural and institutional differences (Zhang 2003; Ferner 1997). Regarding MNC subsidiaries, Poutsma *et al.* (2006) argued that organizations try to balance the need to standardize best HRM practices across national boundaries with the need to adapt to local practices and customs. Kostova and Roth (2002) labeled this phenomena "institutional duality." The appropriate balance between these two needs will positively affect organizational performance.

As globalization continues, effective international HRM becomes increasingly important. This paper reviews global trends, human resources management (HRM) roles, and the implications that globalization and culture present for human resource management. Ulrich's (1997) HRM model provides a framework to illustrate the impact of globalization on each human resource role. The influence of culture on HR roles is explored using Hofstede's (2001, 1993, 1980) theory of cross-cultural differences. The paper then explores actions that increase HR value and competencies that increase HR effectiveness.

Global Trends

The Society for Human Resource Management (SHRM) bi-annual strategic forecast identified international trends that affect HR managers. In these surveys, United States (U.S.) HR managers state their opinions about issues that shape the field of human resources. In 2006, HR managers reported that the desire of companies to expand globally, economic growth in Asia, and increased cross cultural awareness were most likely to have a major impact on the workplace (Schramm 2006). In 2004, HR managers identified the following international trends: the increased exporting of United States (U.S.) manufacturing and white-collar jobs, increased awareness of cultural differences, and the influence of European-wide employment laws for the European Commission (Schramm and Burke 2004). The main reason for

“offshoring,” or exporting jobs from developed to undeveloped countries is lower labor costs elsewhere (Babcock 2004). Noe *et al.* (2006) reported that computer programmers in India typically make \$10/h (U.S. dollars) as compared to \$60/h for their U.S. counterparts. Advances in Internet and telecommunication technologies have enabled organizations to outsource positions such as customer service and technical assistance to countries with lower labor rates. Pfeffer (1998) stated that managers often confuse labor rates (wages divided by time worked) and labor costs that reflect productivity. Reduced labor rates alone do not make a competitive organization; product quality, customer service, and responsiveness to customers remain the goal.

HRM practices differ across countries as well. The amount of severance payments offered to terminated employees differ widely across countries, ranging from one week for every year worked in the U.S. to nine weeks for every year worked in Spain (Falcone 2004). Benefit surcharges vary widely ranging from an average of 37% in the U.S. to 70% in France, and starting vacation allowance varies from 2 weeks in the U.S. to 5 weeks in many European countries (Falcone 2004). The allowable number of weeks for family and medical leave provided varies from 12 weeks under the Family and Medical Leave Act (FLMA) in the U.S. to 1 year in France (Falcone 2004).

Other areas of HRM affected by globalization are compensation, benefits, and labor relations (i.e., unions). Expatriate compensation and benefits are complex and typically much higher than comparable pay in the employee’s home country. Elements of compensation that motivate and retain employees in different countries may vary. Chiu and Luk (2002) concluded that the compensation preferences of employees in Hong Kong and China differ. Zhou and Martocchio (2001) found that when compared to American managers, Chinese managers placed less emphasis on work performance, greater emphasis on co-worker relationships, and greater value on personal needs when making compensation decisions. Graham and Trevor (2000) argue that managing compensation in MNCs is difficult due to the varied employee pay expectations and perceptions of pay fairness. Due to cultural and national differences, a global compensation strategy mixed with local responsiveness is recommended (Graham and Trevor 2000). Labor union density rates, and therefore power, vary considerably across countries, ranging from 0% in China, 12.5% in the U.S. (Bureau of Labor Statistics 2005), and 53% in Italy (Visser 2006). The nature of unionism varies as well. In the U.S., unions collectively bargain over “wages, benefits and terms of employment” whereas European unions and works councils tend to emphasize a wider range of issues such as political causes, holidays and family leave (Maidment 2004). Work rules such as due process and grievance procedures vary considerably as well.

Human Resource Management Roles

Ulrich’s (1997) HRM model consists of four roles with associated deliverables. The first role: strategic partner, requires that HR managers align HR initiatives with strategic organizational goals. The deliverable for this role is an executed strategy that creates value as seen by major organizational stakeholders, investors, line managers and employees (Ulrich and Brockbank 2005). In order to implement this role, HR managers must process organizational and financial knowledge and business savvy (Brockbank and Ulrich 2003). In essence, HRM practices must align with line management objectives to have value. In this way, HR managers will have a place at the leadership table with other organizational functions.

The second role, change agent, delivers a renewed organization that is more competitive. To achieve and maintain competitive advantage, organizations must adapt to inevitable

changes in the competitive landscape, government regulations and global economy. HRM must implement practices that help managers monitor and react to significant changes in their business environment. HR managers must also help managers develop and communicate clear visions of the future, develop procedures that motivate and reward behavior consistent with goal achievement, and overcome employee resistance to change. For example, Eastman Kodak's transition from chemical to digital film technology over the last decade represents a fundamental transition with respect to vision, strategy and operation that requires leadership (what gets done), management (how work gets done), and motivating employees to buy into the new direction, acquire new skills, and contribute to organizational results in new ways. In this context, HRM adds value by helping the organization transition from the old state into a renewed organization that is more competitive.

The third role, administrative expert, delivers efficient processes (e.g., recruitment, selection, training, compensation, benefits, work force planning, and performance management) that utilize new technologies and improved methods. A sound knowledge of the field of HRM, coupled with technical knowledge allows HR managers to identify opportunities that add value. For example, knowledge that many activities such as benefits administration are increasingly outsourced may lead an HR manager to consider company service centers or outright outsourcing the function. The increased level of service and decreased cost may add value as seen by employees and line managers, respectively.

The fourth role, Employee champion, maximizes employee contribution and commitment in two ways. First, HR managers listen and respond to employee needs with available resources. Employee concerns are vary from day to day issues (e.g., issues with coworkers and supervisors, motivation, discipline), long-term issues (e.g., career development), and legal compliance (e.g., alleged discrimination). HR managers spend about 19% of their time addressing such issues (Ulrich and Brockbank 2005; Lawler 2003). Second, HRM practices increase employees' knowledge, skill and ability to contribute to organization effectiveness. Career planning, training and development, and mentoring are among the many programs that align employee competencies with business objectives, and therefore add value.

Hofstede Model of Cross-cultural Implications

HRM practices may not generalize across different nations due to differing laws, policies and cultures (Zhang 2003; Ferner 1997; Hofstede 1993). Likewise, cultural differences may influence how HR roles are implemented across borders. In his seminal work beginning with 116,000 questionnaires completed by IBM executives in 1980, Hofstede (1980, 2001; Hofstede *et al.* 1990) researched how cultures differ across nations. He outlined four cross-cultural dimensions that described cultures in specific countries. Hofstede (1993) later added a fifth dimension. The five cross-cultural dimensions are uncertainty avoidance, masculinity–femininity, individualism–collectivism, power distance, and short-long term orientation. Subsequent research has identified additional cultural dimensions, proposed methodological improvements, and built on Hofstede's work (Javidan *et al.* 2006; Earley 2006; Sivakumar 2001). This article uses Hofstede's parsimonious five dimensional model to explore cultural implications for the HR roles described above. The five cross-cultural dimensions are defined below.

Uncertainty avoidance refers to the degree that people are comfortable with ambiguity. Individuals high in uncertainty avoidance place great value on stability and certainty, and favor a variety of mechanisms that increases a sense of security in uncertain situations (e.g.,

detailed work plans). Individuals low in this dimension are more comfortable with risk and are more willing to move forward without knowing all the contingencies that lie ahead.

Masculinity–femininity describes the degree that individuals exhibit masculine (e.g., independence, dominance) or feminine values and behaviors (e.g., interdependence, empathy, openness). High masculine cultures are characterized by clearly differentiated sex roles, independent performance, achievement, and ambition, while feminine cultures are characterized by equal sex roles, quality of life, and helping others (Wagner and Hollenbeck 2005; Hofstede 1984).

The individualism–collectivism dimension in Hofstede’s cross-cultural research refers to the extent that individuals focus on individual needs and wants versus the needs of the group. Cultures that lean towards the individualism side of this cultural continuum stress responsibility and achievement by individuals, while cultures that lean towards collectivism emphasize group efforts, teamwork, and group membership (Wagner and Hollenbeck 2005; Hofstede 1984).

The fourth dimension in Hofstede’s analysis is power distance, which reflects the degree that individuals accept differences between people as legitimate and expected. Cultures high on power distance see differences between subordinates and their superiors as distinct with wide status differentials. Individuals in low power distance cultures see fewer differences between reporting relationships, superiors are more accessible, and differences between the sexes with respect to status is less pronounced (Hofstede 1984).

Finally, the long-short term orientation is the fifth dimension described by Hofstede. Short-term orientation focuses on the present or the past, honors tradition, and consumes resources to meet present needs. Conversely, cultures characterized by long-term orientation are future oriented, resources are saved to meet future contingencies (Hofstede 1984).

Hofstede (1993, 1980) presents data that score many nations along the five cross-cultural dimensions. This information contains national profiles, or identities, that are of theoretical and practical value to HRM. Organizations that are increasing their global operations can gain insight into effective management practices in foreign operations based on such profiles. Similarly, HR managers should consider tailoring how they implement the four HR roles in different cultures. Towards this end, Hofstede’s (1980, 1993) “cultural profiles” using the five cross-cultural dimensions can help HR managers be more effective in different cultures.

Table 1 contains Ulrich’s (1997) four HR roles, with associated role deliverables, global trends, and implications for Hofstede’s (1993) five cross-cultural dimensions. The HRM implications of global trends and culture for each role are not mutually exclusive. For example, determining which jobs to outsource is a strategic decision (strategic partner), and implementing that decision efficiently is an operational issue (administrative expert). With respect to the administrative expert role, HR managers must use technology to deliver value in many locations in a timely and cost effective manner (Wang 2005). On-line benefit administration, delivery of training programs using e-learning, and communication using organizational Intranets are examples of actions HR managers must deploy on a worldwide basis as their organizations grow internationally. Globalization and cultural implications for each HR role are addressed below.

Strategic Partner Role

Many organizations choose mergers and acquisitions as a growth strategy, and human resource management plays a key role in ensuring strategic fit across borders (Aguilera and

Table 1 Human resource roles¹: deliverables, global challenges, and cultural implications.²

	Strategic Partner	Change Agent
Deliverable	Align HR activities and results with company goals	Renew organization that is more competitive
Global Challenges	• Assist management with international mergers and acquisitions. • Balance the need to transfer best practices from the home country with the need to adopt local practices. • Increase sophistication in international human resource planning. • Assist management build organizational capabilities on a worldwide basis. • Create alignment across borders, cultures and languages.	• Help management create an international organization vision, mission and objectives. • Create a sense of urgency, need for change, and alignment among diverse populations. • Communicate effectively across cultures and languages. • Facilitate change that comprehends cultural differences and local customs.
Uncertainty Avoidance	To invest in HR activities with high strategic value, leaders in high uncertainty avoidance cultures may require detailed plans on how to align HR activities with business objectives.	Cultures with high certainty avoidance may require greater formal structure (e.g., rules and guidelines) to overcome employees' fear of uncertainty. A change agent believed to an expert may also overcome fear of the unknown.
Masculinity-Femininity	Tailor HR manager leadership style to culture (e.g., an independent, achievement style may be appropriate in a masculine culture, collaborative in a feminine culture).	In high masculinity cultures, plan to overcome resistance when making leadership assignments and responsibility to employees not viewed as leaders (e.g. females).
Individualism-Collectivism	Balance strategic alignment on a company wide versus individual advancement when partnering with leaders. Incentives can be individual and/or group based, contingent on culture.	Select individual and/or team intervention techniques that are consistent with the culture. For example, teamwork based intervention techniques may meet resistance in individualism-oriented cultures.
Power Distance	Match strategic proposals with power distance when making decisions, confrontation, and achieving consensus. Focus partnering effort at top leadership in high power distance cultures (centralized power) or at many levels in low power distance cultures (decentralized).	Equalitarian-based interventions such as empowerment and participatory decision-making may meet leadership resistance where power distance is high. Change agents should focus their efforts at the top when power distance is high.
Short/Long Term Orientation	Link strategic proposals to short and/or long metrics based on culture. For example, strategic proposals with long-term benefits may meet resistance in short-term oriented cultures.	Organizations with long-term orientation may more readily accept complex change. Emphasize the present and links to the future in organizations with short-term orientations.

Table 1 (continued)

	Administrative Expert	Employee Champion
Deliverable	Increase efficiency of HR services	Maximize employee contributions
Global Challenges	• Reengineer the value creation process to maximize efficiency. • Manage offshoring process. • Recruit and select employees globally in a timely and cost efficient fashion. • Manage the high cost of expatriation • Manage processes such as compensation and benefits internationally. • Provide efficient training programs.	• Assess global training needs. • Establish a worldwide human resource, succession, and career development systems. • Increase sensitivity to cultural differences. • Increase knowledge of local employment laws and practices. • Ensure expatriate safety. • Meet global employee informational needs.
Uncertainty Avoidance	Assurances should accompany technological enhancement proposals when uncertainty avoidance is high. Communicate new administrative procedures, investments in detail to increase comfort levels.	In high uncertainty avoidance cultures, employees may resist career development due to anxiety associated with the uncertainty of new responsibilities and reporting relationships.
Masculinity-Femininity	Leadership styles that drive technology improvements should be consistent with culture. For example, style should focus on results in masculine cultures and collaborative in feminine cultures.	The career advancement of employees in traditional occupational roles may be blocked. Advancement of females into higher management levels may be more difficult in high masculinity cultures.
Individualism-Collectivism	Make incentives for achieving administrative improvements on an individual or collective (e.g., group) basis congruent with the culture.	Advocating for employees on an individual basis may meet resistance in collectivist cultures. Structure employee training and development programs on an individual or group basis congruent with the culture.
Power Distance	Superiors in high power distance cultures may resistance participation in tasks believed to be low status (e.g., interfacing with new performance management and benefits administration software).	Providing career development and advocating for the rights of employees thought to have low status may be problematic in high power distance cultures.
Long/Short Term Orientation	Technological investments should have a short time return on investment in short-term oriented cultures. Longer payback timetables may be more acceptable in longer-term orientations.	Consider time perspectives when conducting career development and analyzing human resource needs. Long-term plans may be more acceptable in long-term oriented cultures.

¹Adapted from Ulrich, D., *Human Resource Champions: The New Agenda for Adding Value and Delivering Results* (1997). Boston: Harvard Business School Press.

²Adapted from Hofstede G. (1993). Cultural constraints in management theories. *Academy of Management Executive*, 7, 81–94.

Dencker 2004). International human resource planning gains significance as economic and technical organizational interdependence increases (Meisinger 2006; Gomez and Sanchez 2005). Globalization stimulates organizations to look for opportunities beyond its national borders. HRM can contribute to organizational effectiveness by being involved in the merger and acquisition process that typically results. Solomon (1998) stated that mergers often result in a loss of shareholder value, and that one reason for the disappointing track record of mergers is that the key HR executive is not brought into the integration process soon enough. Solomon (1998) described the communication efforts made by Barclays Global Investors (BGI) during a merger of four international investment organizations. The global HR manager clearly communicated the reason for the mergers, the process by which the merger would proceed, and its effect on people. Managers from the four companies worked in forums to plan the integration and set goals. Solomon (1998) also described the process whereby U.S. based Loctite, an adhesive making company, integrated diverse cultures in a 1997 global merger with Henkel, a German firm. Loctite established cross border teams, facilitated by an outside consultant. The consultants and HR managed cross-cultural differences using a participatory approach.

Once the integration process is complete, globalization continues its influence on organizational staffing and human resource planning. Shell Oil Company recognized the need for a globally consistent framework for management succession, talent management, and leadership development in its globalization process (Pameroy 2006). As human resource planning is a strategic activity, these trends present challenges with respect to the strategic partner role.

The institutional duality dynamic requires that organizations balance standardizing best practices from headquarters with localization of HRM practices (Poutsma *et al.* 2006; Kostova and Roth 2002). There is evidence of a country effect whereby MNCs can implement some, but not all, HRM practices in foreign subsidiaries. In other words, there are competing pressures from the host country and other pressures from the country of origin with respect to HRM implementation (Poutsma *et al.* 2006). For example, Frazee (1998) argued that MNCs must be willing to localize their joint ventures in China. The strategic partner role is central to striking the correct balance given the organization's unique situation. HR managers must assist leadership with mergers and acquisitions, particularly those that cut across international borders.

The ability to implement best practices in a way that is acceptable in local situations and create alignment across different cultural and business environments is, in part, the domain of HRM. For example, Deutsche Bank AG increased its HR strategic partner role as the bank expanded its global position into a headquarters with five operating centers across 68 countries (Svoboda and Schröder 2001). Svoboda and Schröder (2001) described how the bank transformed its HR function in a strategic partner with the identification of a new HR competency model, the use of a balanced scorecard approach, a worldwide reorganization of the HR function, and a state of the art information system. The balanced scorecard approach helped Deutsche Bank AG focus on measurable HRM practices that aligned with company objectives, including financial results, customer satisfaction and operational results. Svoboda and Schröder (2001) used Ulrich's HRM model to a limited degree within one company.

Benedict (2006) observes that few organizations have formal social responsibility policies despite the fact that a majority of these same organizations in the U.S., Australia, India and China participate in social responsibility activities (e.g., donating money to charities and disaster relief). According to HR managers, a major reason their organizations engage in these activities is to improve corporate image (Benedict 2006). As a strategic partner, HR managers can influence leadership to write policies and align activities with

organizational goals. Merck aligned its 2005 \$1 billion social responsibility activities with its corporate mission by investing in programs to reduce HIV/AIDS in Africa, childhood asthma, and vaccine initiatives (Merck Website 2006).

Cultural differences across countries present implementation issues for HR managers. Alignment of HR initiatives and collaboration with top management require that HR take a leadership role, or at least possess status greater than or equal to other organizational functions. When power distances are high, top management tends to view themselves as processing higher status and therefore inaccessible to others of lower organizational status. In high masculinity organizations, the style deployed by the HR manager when making strategic proposals should emphasize independence and achievement. In high femininity organizations, the HR manager's style should emphasize collaboration and problem solving. In addition, if uncertainty avoidance is high, top management may resist strategic proposals that thrust the organization into uncharted territory and thus increasing uncertainty. According to Hofstede (1993), Greece and Portugal are nations with high uncertainty avoidance. HR managers in such countries should consider presenting detailed plans and timetables that reduce anxiety associated with uncertainty. Long/short term orientation influences what metrics are acceptable to justify investment. When requesting expenditures in countries such as China and Japan that have long-term orientations (Hofstede 1993, 1980), management is likely to consider five-year returns on investment. Annual return on investment (ROI) may be more acceptable in countries such as Russia that are more short-term oriented. The individualism-collectiveness cultural dimension also affects strategic initiative implementation. Individualistic countries such as the Australia, Great Britain, and the United States may be more receptive to HR initiatives that emphasize individual achievement and accountability, whereas countries characterized as collective such as Pakistan, Peru, and Taiwan may be more comfortable with team-based programs (e.g., quality programs and teambuilding).

Change Agent Role

The HRM change agent role helps leadership renew organizations that effectively address changing marketplace demands. The endgame is a more competitive organization. Globalization typically results in doing business across distinct cultures, languages and legal environments, making organizational renewal challenging. This in turn requires a strengthened HRM change agent role. Tyco, a multinational group of manufacturing and services providing companies encompassing the healthcare, security, telecommunications and electronics sectors, illustrates the change agent role as implemented by Laurie Siegel, senior vice president for human resources (Deutsch 2003). Tyco's ethical and legal difficulties are well known, but less attention focuses on their recovery. Recognizing that the organization's reward system drives change to a large degree, Ms. Siegel replaced bonuses that artificially inflated metrics to a system that rewarded managers for setting and meeting realistic goals. Shortly after arriving at Tyco, she also implemented a new ethics policy and instituted a strong corporate governance function throughout the organization. Internationally, Ms. Siegel led a "China Council" composed of the leaders of Tyco's Asian markets so that sales efforts were more coordinated and that human capital was shared worldwide. Above all, Ms. Siegel helped Tyco leadership transform itself from a scandal ridden, poorly performing organization to a position of leadership.

Organizational changes often occur over long periods, create considerable anxiety on the part of leadership and employees, and typically deploy change agents that lead the

transition (Seo and Hill 2005; Nadler and Tushman 1980). Cross-cultural dimensions influence how HR managers add value as leaders and change agents. As several authors argue that leaders create change in contrast to managers who maintain the status quo (Kotterman 2006; Zaleznik 1988; Kotter 1990), cultural dimensions heavily influence change agents. Change often takes years to achieve visible results, and companies operating with short-term orientation cultures may prematurely terminate change initiatives before metrics reflect results. In areas such as West Africa with short-term orientations, goals and timetables should be frequent and use metric sensitive to short-term gains. As organizational change progresses, anxiety increases stemming from career uncertainty, novel operating procedures, new jobs, and new technology increases. While countries low in uncertainty avoidance (e.g., Singapore) may enhance an uncertain future that change brings, other countries that avoid uncertainty may experience heightened resistance to change.

Change agents perceived to have high expertise or skill, coupled with formal structures that increase clarity (e.g., vision statement, job descriptions, and standard operating procedures) may alleviate this potential cultural barrier. The selection of change agents itself requires a clear understanding of the competencies required to effectively lead change; however, companies operating in high masculinity cultures may resist change agents that lead by collaboration and interdependence rather than independence and assertiveness. In other words, the leadership style of the change agent should be congruent with the local culture. The change interventions should match the culture. For example, team based and empowerment change interventions may be embraced in Chile, Columbia, and Indonesia. Individual incentives for behavior and results that contribute to effective change may be individual based in the United States that scores high on individualism, and group based in Hong Kong whose scores indicate a collectivism culture (Hofstede 1993, 1980).

The leadership style in high power distance countries may make access to top management difficult for the change agent and employees, yet HR managers must overcome this barrier for change to succeed. For example, special efforts to build a network of support among organizational influencers and decision makers may help gain access to top management time, support and resources.

Administrative Expert Role

The administrative expert role deliverable is an efficient organization. Globalization exerts pressure to become more efficient in several ways. First, increased competition for scarce resources and customers forces organizations to deliver products and services in an effective, fast, and cost efficient manner. Second, reduced cost translates into increased profitability, a language reality understood by management. Maidment (2004) stated that as globalization drives organizations to pursue new technologies in order to reduce cost and increase the speed of HR services. Third, increased efficiency often results in faster delivery times. For example, the timely recruitment and selection of employees across borders reduces cost and lost business opportunities. The provision of HR services in global organizations is therefore important for international organizations. Deutsche Bank AG developed an information technology tool that helped align performance objectives. This performance management system used their competency model to align objectives on a global basis.

Expatriate selection, orientation and training gain importance with global expansion. In the past, expatriate assignments averaged about 3 years in duration. Bohlander and Snell (2007) report that there is a trend to send expatriates on shorter assignments and use host

country nationals for long assignments. The reasons for this trend include reduced cost, local requirements to hire host country nationals, and customer preference (Bohlander and Snell 2007). Efficient global staffing has implications for the administrative expert role.

To align compensation with business objectives across borders, MNCs often implement multiple pay systems. Wright (2004) argues that web-based technologies minimize administrative expenses and achieve compensation objectives. Web-based technologies that automate compensation planning, administration, and employee communication can increase efficiency, reduce cost, and motivate employees (Wright 2004).

Administrative efficiency may involve a comprehensive human recourse information system (HURIS) that provides timely information to decision makers worldwide. ExxonMobil, Corning and Merck are among the organizations that maintain such HURIS systems. A comprehensive HURIS allows organizations to utilize human resource capital worldwide efficiently with respect to competencies, performance and career aspirations. Creative applications are also possible. For example, Merck utilizes software that helps employees and their supervisors manage performance and improve performance worldwide (Robb 2004).

Changes that increase administrative efficiency often introduce employees to new technologies (e.g., benefit software and human resource informational systems), or simply outsourcing HR activities. Employees may resist change because they are uncertain whether these new procedures will bring about the promised improvements, or whether they possess the required skills. As many of these changes require large investments, leaders in high uncertainty cultures may require considerable assurances that the expected returns on investments are achieved. Once again, well-communicated detailed plans may help HR managers implement changes that increase efficiency. New technologies at times require the active support of top management, but superiors in high power distance cultures may resistance participation in tasks believed to be low status (e.g., showing support for the new procedures, interfacing with new performance management and benefits administration software). The pace of change is also affected by cultural factors. Companies operating in China are amenable to new technology and procedures that take time to implement, but other companies with a short-term orientation may require changes that are incremental and completed in a shorter period.

Employee Champion Role

The deliverable for the employee champion role is to maximize employees' contributions to the organization and advocate for employees rights. The advent of e-learning and distance learning enables organizations to develop employees on a global scale at low cost (Galloway 2005). Kodak embarked on a global learning management system (LMS) in 2000, designed to deliver distance learning to over 50,000 employees in 57 countries (Gold 2003). While international e-learning systems are intuitively attractive, Kodak encountered several implementation challenges including European privacy laws, multiple languages and translation, and service providers that offer service across time zones and countries. Kodak learned that, in addition to English, courses were needed in Chinese, French, Spanish, and Portuguese.

Global task forces that are held accountable to solve global issues is another venue to increase employees' contribution to key business issues, provide developmental opportunities for growth, and increase international visibility. Prior to its merger with Exxon, Mobil implemented international task forces composed of United States and European employees

in their Films division. These task forces addressed strategic and operational issues such as reducing the time to market for global products and increasing manufacturing efficiency. Employees defined problems, collected data, and made recommendations to management. The task forces documented and communicated improvements to the rest of the organization. At the same time, Mobil devoted considerable energy with their career development process, whereby supervisors wrote “forecasts of potential” and employees completed “career interest forms.” Management discussed these documents at career development sessions, with an objective of establishing development action plans that met employee needs and company goals.

Globalization of operations is likely to increase the number of expatriates and employees returning to their home countries (repatriation). HRM practices must improve given the high expatriate failure rate in terms of costs and retention upon return (DeCieri *et al.* 2005). HRM practices must improve in order to address issues of dual career families, compensation, safety, and career continuance. HRM practices that may improve the expatriate success rate include pre-departure training and socialization (Babcock and Du-Babcock 2001), and more effective selection of employees for foreign assignments (Harvey and Novicevic 2001).

Expatriate safety has become a concern in many parts of the world (Schramm and Burke 2004; Tahmincioglu 2001). Expatriates are increasingly concerned about their safety and many expatriates in high-risk areas request that their organization move their families to safer locations (Hanrehan and Bentivoglio 2002). Political instability is a related concern for organizations with foreign operations. Domestically, organizations are also concerned with their country’s immigration policies and practices. For example, 84% of the legal and illegal immigrants to the U.S. report that they come because they see the opportunity for a better life, including employment and better schools for their children (Blendon *et al.* 2005). Immigration is currently a political and economic issue of concern to organizations that hire immigrants. Sensitivity to a diverse workforce across diverse parts of the world presents challenges with respect to the employee champion role.

Regarding employee advocacy, comprehending differences in employment law and HRM practices is important as organizations expand globally. For example, sexual harassment legislation and precedent differs across countries. While established in the U.S., the European Parliament only recently standardized the legal treatment of sexual harassment and equal treatment of men and women across the European Community countries (Owens *et al.* 2004).

Employee champions maximize employee contributions and advocate for employees. Career development and training is a major vehicle by which employees can increase their contributions, and hence their rewards. Several cultural factors may limit developmental and promotional opportunities. Employees in high uncertainty avoidance cultures may avoid developmental growth opportunities because risk taking, learning new skills, and even relocation may be required. Managers may be unwilling to invest in training programs because the metrics are absent or not tied to meaningful organizational measures such as profitability or revenue. Training and development evaluated on the results level (Tyler 2002; Kirkpatrick 2006, 1976) may reduce the uncertainty that training dollars are not wasted. While this is true in most cultures, it is especially salient in high uncertainty avoidance cultures. Training evaluation studies that demonstrate a ROI on training investment may reduce the fear that the time and cost associated with development opportunities benefit the organization. Advocating for the career advancement and employee rights of employees in traditional roles may prove challenging in high masculinity and power distance cultures (e.g., females in lower level clerical positions). Training programs may be group based or customized for specific individuals depending on where the company resides with respect to

the individualism–collectivism dimension. HR managers should consider the length of development action plans when conducting career development and analyzing human resource needs. Long-term plans may be more acceptable in long-term oriented cultures.

HR Competency Implications

As organizations globalize, cultural sensitivity and understanding is vital for HR managers to add value. Globalization increases the mix of cultures, languages, perspectives, as well as the number of expatriates. Effective HR managers must also develop business knowledge, HR content expertise, influence skills, and personal credibility (Brockbank and Ulrich 2003; Meisinger 2003; Ulrich *et al.* 1995). These skill and knowledge requirements become more salient in global organizations. HR managers need to become more knowledgeable about the legal environment in Europe, Asia, and other parts of the world that are rapidly expanding. For example, the European Community (EU) is far more protective of employee privacy rights than the U.S. (Meisinger 2004) and employment discrimination laws vary across countries. HR managers must comprehend several local business practices, employment laws and HR practices, communicate effectively across nationalities, and gain the trust of individuals with a wide range of backgrounds and even languages. As organizations expand globally, the number of variables that must align for new organizational initiatives increases exponentially, and that makes mastery of change management more challenging.

Increased internationalization also has pedagogical implications for educators, especially for business programs that emphasize HRM. In addition to the standard subject matter taught in higher education business programs, DeCieri *et al.* (2005) suggested the realignment of HRM curriculum to focus on cross-cultural management and flexible international organizations. The increased demands placed upon HRM by globalization warrants increased attention to these domains.

In summary, the need to be competitive has driven many organizations to expand internationally, presenting increased challenges for human resource management. Ulrich's (1997) multiple HRM role model helps describe the important implications of global trends and cultural implications for HR managers who must continue to demonstrate and increase organizational value.

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