

Challenges and difficulties in setting up HR department in multinational companies

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Abstract

The challenge does not stop with recruiting the right person but with how we are going to manage the performance of our employees. The challenge would be to create a performance culture where in opportunities are provided for enhanced performance and where giving out optimum performance becomes a way of life. The future role of HR professional will change from a less administrative role to more of a strategic role. HR managers will continually be required to prove their effectiveness and their existence. In this study descriptive research design was used data collected through mailed questionnaire from 40 HR managers those who are working in multinational companies at Bangalore, Karnataka. The study found that, HR competencies should be changed in accordance with present technological era. Strategies should be developed to ensure the cross cultural training of the personnel in the HRD department.

Keywords: HR manager, administration, performance

Introduction

Today's corporations are living in a brave new world with Globalization, Technology, and the hunt for scarce talent pushing them into new territories and redefining the way they work, think and communicate. But managing a global work force is no easy task, and not everyone will get to the finish line. "You must have a global mindset," says Fleming Poulfeldt, Professor of management at the Copenhagen Business School. "You have to be open to new ways of thinking, and you have to create an environment, both at home and abroad, that is welcome in grand supportive to global workers." Add these keywords like strategic talent management, mobility, and cultural agility, which experts say are all necessary components in this brave new world. With the World Economic Forum warning we are enter in "era of unparalleled talent scarcity," companies not only need to be able to find, attract and keep talent, but they need to be mobile enough to set up shop where the best expertise and cost can be found. As an example, we've opened a financial shared services centre in Budapest because the knowledge base for that is strong there. And, we have a water technology centre in Fresno, USA. IBM, for example -which has more than 400,000 employees in 170 countries, was one of the first companies to encourage employees of Global Workforce. (uma s n 2013).

According to Haslinda (2009), human resource is organizations' greatest assets because without it, everyday activities such as managing public service, communication and dealing with customers could not be completed. This shows that the employees and the potential they possess are key drivers of the organizations' success. Moreover, Kebede and Sambasivam (2013), in their findings indicated that organizational change impacts not only the organization activities but also employees "knowledge and competencies.

Similarly, as noted by Haslinda (2009b), in order to maximize organizational effectiveness and to ensure the employees' potential, capabilities and talents must be developed and updated. (simachew amare 2014)

Challenges of Human Resource Management Globalization

At a political and economic level, globalization is the process of denationalization of markets, politics and legal systems i.e. the use of the so-called global economy. Globalization refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity (village markets, urban industries, or financial centers). It means that world trade and financial markets are becoming more integrated. Growing internationalization of business has its impact on HRM in terms of problems of unfamiliar laws, languages, practices, competitions, attitudes, management styles, work ethics etc. HR managers have a challenge to deal with more functions, more heterogeneous functions and more involvement in employee's personal life.

Technological advances

There is a challenging task of adapting workplace to rapid technological changes which influence the nature of work and generate obsolescence. Advanced technology has tended to reduce the number of jobs that require little skill and to increase the number of jobs that require considerable skill, a shift we refer to as moving from touch labour to knowledge work. There is new-new working technology. In this situation organizations have to change it technology. New technology creates unemployment and in other hand, there comes scarcity of skilled manpower. Like this, technological change brings difficulties and challenges in organization.

Changes in political and legal environment

Changes in political and legal environment means changes in political parties and rules regulation due to which new laws are come and you have to follow all laws while doing business. Many changes taking place in the legal and political framework within which the industrial relation system in the country is now functioning. It is the duty of human resource and industrial relations executives to fully examine the implication, of these changes and brings about necessary adjustment within the organization so that later utilization of human resource can be achieved. It is the responsibility of Human Resource manager to anticipate the changes and prepare organization to face them without any breakdown in its normal functioning.

Changes in the Economic Environment

This includes examination of the impact of a number of factors on production. Some of the key factors are the scarcity of raw materials and other inputs including power and electricity, encouragement of the culture of consumerism, increasing consumer awareness and demand for quality products, continuing upward trend in the inflationary pressures with decrease in the purchasing power of rupee and its spiraling effects in the ever increasing aspirations of workers for higher wages and other material benefits and mounting costs on the employee welfare and other benefits. In an inflationary economy, the resources tend to become scarce and the costs of machine, materials and labour multiply. These push up the capital and running costs. (seema dhawan 2013).

Revolution in Information Technology

Streamline the processing of data and make employee information more readily available to managers. More recently, there has been and in the future there will be impact of revolutionary computerized information system in the management it covers two primary areas Application of computer in the managerial decision making process Use of electronic Information technology has influenced HRM through human resources information systems (HRIS) that computers managerial decision making process In future computerized information system will have increasing impact at the coordinate and strategic levels of organization

Mobility of Professional Personnel

The organizations. As individual develop greater technical and professional expertise, their services will be greater demand by organization in the environment. One of the interesting facts will be increase in the mobility of various managerial and professional personnel between.

Multiculturalism

Multiculturalism also one of the main task being HR manager in a multinational company should be sensitized and competent to work with different cultural and different regional background workers.

Rationale of the study

In this globalized world more number of multinational companies are coming forward to establish their business in cross boundaries also there is no boundaries for job and

investment. Hence multicultural aspects are crucial aspects to dealt by HR department however, automation has cut down the use of manpower as soon the role of Human Resource managers have been diminished. In this competitive world HR should be competent to address new challenges arising as well as develop some skills to sustain HR profession.

Objectives of the study

- To know about HR competences and industries required competency gaps.
- To identify the challenges encountered by human resource department in the selected
- multinational companies in Bangalore
- To probe impact of information technology human resource department.

Method and Material

Descriptive research design was used in this study. Research has sent mailed questionnaire for 100 HR managers out of that 40 Human Resource Managers from multinational companies in Bangalore, responded for the questionnaire. Mailed questionnaire tool was used for data collection. The data collection from the questionnaire are put together in the form of table and tabulation was analyzed. percentage was calculated where never necessary for generalization of the data collection. Data analysis and interpretation was down on the basic of primary data collection. The primary data was diagrammatically represented in the from pic and bar charts. The summary of finding was recording based on analysis.

Results and Discussion

The researcher has found during the study that majority cent percent of the respondents opined about the management give importance to the cost effective training. The researcher has found during the study that majority 70 percent of the respondents opined about the employee turnover a problem at their company. The researcher has found during the study that majority 82.5 percent of the respondents opined about The developmental activities help the management in identify analyzing forecasting and planning and change S needed company's HR area. The researcher has found during the study that majority 80percent of the respondents opined about the Workforce planning how do you measure the number to volume of the staff. The researcher has found during the study that majority 60 of the respondents opined about the In allocating sufficient financial resource for employees. The researcher has found during the study that majority 80percent of the respondents opined about the Technology impact on HR practices. The researcher has found during the study that majority 67.5percent of the respondents opined about the achieved the vision and purpose of their organization.

Suggestions

The above mentioned factors are imperative and therefore should be carefully Considered be for undertaking the HRM venture. The important dimensions that should be taken into consideration. Strategies should be developed to ensure the cross cultural training of the personnel in the HRD department so that they understand other cultural background and people and avoid conflict of interests. Motivation of the employees is

required so that they continue to be a part of the organization and contribute more towards the development and growth of the current organization with their ideas. It should be kept in mind that apart from the financial motivation, training and development opportunities, job satisfaction and other motivational factor should be taken into account.

HR should adapt itself to the changing environment and technology and should opt for sufficient and sustainable technological supportability of equipments and resources. The HR technologies adopted should be agile and flexible so as to accommodate the changes in the adjust to the new paradigm shift. The demands of the changing economy should be taken care while developing new policies or changing existing policies. The changes in the workplace often require the implementation of additional training for workers. As training and develop means generally the realm of the HR department, this creates yet another challenge for human resource managers. HR must first determine what training is necessary and then implement training measures to ensure all workers can keep up with technical changes. Human resource managers must also determine when it may train existing employees, and when it must search for new workers to fill technical positions within the organization. To ensure the smooth implementation of the system, organizations must ensure the need to address the potential issues like calculating organizational impact and proper communication of the various training plans to the employees.

Conclusion

The challenge does not stop with recruiting the right person but with how we are going to manage the performance of our employees. The challenge would be to create a performance culture where in opportunities are provided for enhanced performance and where giving out optimum performance becomes a way of life. The future role of HR professional will change from a less administrative role to more of a strategic role. HR managers will continually be required to prove their effectiveness and their existence. Successful implementation has also to be followed with regular and periodic follow up. This will ensure to understand and solve the problems faced after the implementation, and accordingly steps can be taken for the further improvement or modification of the system.

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