Chartered Qualification in Human Resource Management

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# **Question 1**

To examine how an organization remodels its Human Resources (HR) functions on the basis of the model outlined by Morgan (1986) into International Human Resource Management (IHRM), the attention has to be paid to people, activities, and countries as identified by Morgan. Morgan's model of IHRM addresses different structures and management practices of international organizations with respect to treatment of the employees. It provides a perspective concerning the complexity and multidimensionality involved in managing people dispersed across cultural and geographic boundaries.

## **People (Employees)**

Home-country nationals (HCNs): These all employees who come from the principal or headquarters country of the MNC. This means sending these people to international operations in the beginning to ensure some continuity in leadership and culture.

Host-country nationals (HCNs): Hired employees from the country, where a subsidiary or a branch is located. This kind of approach does cut the costs and facilitates their adoption to local practice and rules. These are employees coming from a third country other than the home or host country. This is a strategy that is mostly applicable when a specific expertise in hand can't be found from the home or host country.

Expatriates: Employees temporarily shifted from the parent branch to foreign branches for alignment with the organization's strategy and values.

Morgan's model states that HR strategy will evolve to manage these diverse groups so that the international workforce comprises professionally developing the required competencies in these individuals of mixed characteristics while maintaining consistency in the organizational culture and effective communication among all.

## **Activities (HR functions)**

The HRM activities themselves have also been exhibited by the needs of the own country of the organization, and some personalized IHRM programs could be shaped by the model proposed by Morgan. Main activities under IHRM include:

Recruitment and staffing: The organization has to come to terms with its strategy for staffing international subsidiaries regarding sending home-country nationals, hiring host-country employees, or using third-country nationals. All these considerations, however, are dependent on several factors, including the need for control, costs suggestions, and the complexity of operations in foreign markets.

Training and development: The organization should have appropriate training programs that cover technical training and cultural training so that employees understand and appreciate the local customs, business etiquette, and legal norms. Development activities should also prepare employees for future international assignments.

Performance management: Performance appraisal of employees in international assignments must be localized in a way that it reflects the cultural values and expectations of the country in question. It may require a combination of local and global performance standards, e.g., achieving corporate goals and local goals. (Ratković, 2015)

## **Countries (Geographic scope)**

According to Morgan (1986), there exist different types of international operations, and depending on the number of nations where a company does business, an organization will adopt a certain IHRM strategy. This model is useful in determining how those operations affect HR practices:

International Human Resources Management progressively becomes more complex with the growth of the organization and its establishment of subsidiaries in many countries. The HR practices must be tailored to the particular country in which each subsidiary is working while orienting them with global corporate goals. IHRM entails cross-cultural management and awareness of different backgrounds and business environments, differing regulatory requirements, and labor market conditions.

Global HRM: At this point, the organization has brought cohesion, synergy, and competitiveness to all locations in the world by placing integrated HR practices in those locations. Employees scattered in several countries can now be managed as one global team sharing similar values and objectives and thus able to leverage diversity as competitive advantage.

## **Conclusion**

According to Morgan (1986), perhaps the change from an organization that requires IHRM to one that has it involves accepting the complexity and differences among people, activities, and countries. As multinational companies expand internationally, their HRM strategies must also adapt to operate and engage a culturally diverse workforce while balancing global and local needs in HR activities. Countries pose other challenges that require an IHRM approach to ensure that both dimensions balance between the success of the organization and the effectiveness of the international operation. (Salma, 2021)

# **Question 2**

## **The Diffusion of global HR practices and its impact on PPGlobal**

In this context of globalization, MNCs have to administer human resources effectively in different countries while striking a balance between global consistency and local adaptation. Diffusion of HR practices means transferring and implementing HR strategies in different locations. These four aspects of diffusion-transfer of best practices, adaptation to the local context, institutional influence, and reverse diffusion-are extremely important for ensuring PPGlobal's success in international markets.

## **Transfer of best practices**

Thus, communication turns out to be one of the most fundamental benefits among diffusion, i.e. the capacity to transfer successful HR policies and management approaches from one node of the organization to another node. PPGlobal can use this concept for the consistent deployment of its global operations.

For example, PPGlobal can disseminate the effective leadership development program of the US headquarters to its European and Asian subsidiaries to ensure that all managers across geographies will receive similar training in the core competencies. This would allow for fairly better decision-making in line with the company's value system. A perfect example is Google: the company has successfully replicated flexible work arrangements and ongoing learning programs being practiced in its US offices into those of its international offices.

## **Adaptation to local contexts**

They can't adapt laws fully with various cultural and legal environments, focusing instead on the economies. As such, PPGlobal human resources strategies will have to find ways to be consistent with local labor law, ethics at work, and expectation of employees.

In Japan, for example, group-oriented incentives are more popular than individual bonuses. PPGlobal may consider adding team-based performance measures to its incentive scheme in such cases. In other situations, particularly in Middle Eastern countries, policy may have to be revised to determine certain working hours for Ramadan to be compatible with local customs and traditions. A noteworthy example of such policies is of McDonald's, which coordinates its recruitment and training programs consistently with local labor market conditions while achieving its global operational standards. (Chiang, 2020)

## **Institutional influence**

The laws, trade unions, and government policies play a huge role in making a difference among countries as far as the application of HR practices is concerned. Therefore, PPGlobal has to comply with all these regulations to ensure a smooth flow of business without checking for any legal impediments.

For instance, the German labor laws deal one blow to businesses that wish to make major HR decisions without talking to the workers' councils. Employee relations policies of PPGlobal must involve the collaboration of these councils to enable such compliance on top of nurtured harmonious employee-employer relations. Like in France, lay-off laws make it such that employees cannot be laid off without a strong reason. Therefore, PPGlobal must install a systematic performance evaluation and legal documentation process on such an issue in France. The various institutional influences create an HR strategy that is legally compliant as well as effective in that market.

## **Reverse diffusion**

Reverse diffusion means practices adopted by the parent company from the subsidiaries and even other international branches. This gives PPGlobal an opportunity to import innovations and improvements from different regions and thus help to improve the general efficiency of the organization.

For example, if the Indian subsidiary of PPGlobal implements an employee wellness program that is highly effective in minimizing stress and absenteeism, the same initiative could be rolled out at other locations beside the headquarters. A classic example of reverse diffusion is Toyota, which learned lean manufacturing and continuous improvement from Japanese operations and transferred these principles to its facilities around the world. (Chiang F. , 2016)

# **Question 3**

## **Staffing policies in international human resource management and challenges for PPGlobal**

International Human Resource Management is such a network of activities dealing with recruitment, training, and managing employees in diff countries. One interesting part of International Human Resource Management would be the policy of staffing which involved the hiring and placement of personnel assigned for international assignments or posted to other countries. Different multinational companies like PPGlobal can use three types of staffing policies: those are ethnocentric, polycentric, geocentric policies. Each policy has its advantages and disadvantages with respect to the need of the company. Choosing the appropriate policy is very important for the success of a company in overseas markets.

## **Types of staffing policies**

An ethnocentric staffing policy involves filling key management roles in foreign locations with employees from the headquarters (parent country nationals). This practice helps to achieve a tight degree of control and uniformity in decision-making.

In contrast, most local employees who are host-county nationals run the subsidiaries. The headquarters, however, are staffed by parent country nationals. This policy allows PPGlobal to benefit from local know-how and adjust to cultural and legal divergences.

With this policy, the firm sources the best talent from around the world, third country nationals, regardless of nationality. Establishes a workforce with a global character, with PPGlobal's bottom line benefiting from the diverse perspectives and skills it helps brand.

## **Challenges in recruiting international staff for PPGlobal**

PPGlobal finds it a challenge to recruit international staff. The company also faces such challenge on the legal and immigration side with getting work permits and visas for expatriates.

Training in cultural adaptation and communication-related issues is seriously considered. Employees of divergent cultures may encounter problems related to language, diverse working ethics, and management styles. (Whitehead, 2024)

# **Question 4**

## **The six principles of international talent management and their impact on PPGlobal**

In an increasingly globalized business environment, the overarching goal of International Talent Management (ITM) is to attract, develop, and optimize the retention of multinational companies' best employees across different locations. In this manner, successful ITM contributes to PPGlobal's competitive workforce, operational efficiency, and global expansion. The six basic principles of international talent management-alignment with business strategy, leadership development, global mobility, cultural adaptability, talent retention, and performance management-give the firm a disciplined approach to managing human resources in different regions.

## **Alignment with business strategy**

This international talent management must find a strong alignment with the firm's overall business strategy. In this multi-country business, PPGlobal must ensure that talent acquisition, training, or leadership development activities nurtured are in concert with its long-term objectives.

Thus, expanding its reach into South America will require PPGlobal specifically to hire and develop professionals with competencies in emerging markets, international trade regulations, and local consumer behavior. An example of strategic alignment is Unilever, which integrates talent management with business goals by providing training on sustainability and innovation-the two areas that drive its global growth.

## **Leadership development**

For example, if PPGlobal decides to promote an employee from its European headquarters in a leadership role in Asia, it must make arrangements for cross-cultural leadership training for that manager to prepare him for the nature of business and workforce expectations there. IBM finds success in deploying leadership development through offering successful employees highly potential global assignments, allowing them to gain international exposure and senior roles.

Development of leadership is at another meaningful strong level for managing international teams, while PPGlobal must invest in training programs, mentorship, and rotations for leadership in ensuring that its leaders are well equipped with the skills needed for dealing with cross-cultural teams and international business challenges. (Günter K. Stahl, 2011)

## **Global mobility**

Just as effective international talent management requires a structured global mobility program that allows relocation between sites for assignments, training, or leadership roles, so does PPGlobal. In this way, global mobility can be used as a strategy for bridging talent gaps in new markets, as well as incentivizing knowledge transfer between subsidiaries.

If PPGlobal's Asian division does not have experienced project managers, the employee can be relocated from the U.S. office to the company for leading key projects and training staff from local offices. Other companies that have adopted similar approaches include Siemens, which has made international assignments either short or long-term available to all its outstanding individuals, thus facilitating their global mobility programs.

## **Cultural adaptability**

It's been widely accepted that the importance of managing a diverse workforce is one of the most critical aspects of culture adaptability. International employees must be aware of and accept the various cultures, languages, and work ethics. PPGlobal will have to entrench training for its workers on intercultural communication, diversity awareness, and inclusive leadership. (Stahl, 2012)

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