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UNIT I

e-Employee Profile – e-selection and Recruitment – Virtual learning and Orientation – e-Training and Development – e-Performance Management and Compensation Design – Development and Implementation of HRIS – Designing HR Portals – Issues in Employee Privacy – Employee Surveys Online.

e-HRM

- When HR departments make use of Internet and related technologies to support their activities, the process becomes e-HRM.
- It is the complete integration of all HR systems and processes based on common HR data and information and on interdependent tools and processes.

IMPLICATIONS OF e-HRM

HRM PRACTICES.

- Analysis and design of work
- Recruiting
- Selection
- Training
- Compensation and benefits

IMPLICATIONS OF e-HRM

- Employees in geographically dispersed locations can work together in virtual teams using video, e-mail and internet.
- Post job openings online, candidates can apply for jobs online
- Online simulations, including tests videos, and e-mail, can measure candidates' abilities to deal with real-life business challenges.
- Online learning can bring training to employees anywhere, anytime.
- Employees can review salary and bonus details and seek information about and enroll in benefit plans.

e- Recruitment

It can also be called online recruiting.

Benefits:

- Facility to apply online.
- Wide reach often cutting across national borders.
- Reduced cost.
- Burdensome administrative processes.

e- Recruitment

Disadvantages:

- Impersonal and inflexible.
- Deny the opportunities to those who have no access to computers- lack skills.
- Applicants –perceive –likely invade personal privacy
- Misuse of confidential information by companies.
- Applicants –less willing to use online recruiting.

e- Recruitment

Common Practices in e-recruitment are

1. Adding recruitment to existing organizational websites.
2. Using special recruitment websites.
3. Developing interactive tools for processing applications, and
4. Using software for online screening of applications.

Guidelines/Cautions for e-Recruitment

- It should be aligned with organizational goals.
- It should not be the only source but one of the sources of recruiting.
- May attract frequent job hoppers.
- The websites should be designed for easy use, simple to navigate and attract candidates rather than screening them.
- Organizations should develop online screening systems based on job analysis

Guidelines/Cautions for e-Recruitment

- The system should give adequate information about the company and the positions to the candidates
- It should not be used as fad but should be measured in terms of successful placements made.
- Collect feedback from job applicants on the direct and indirect messages conveyed by the website regarding the climate of the organization.
- Companies should use appropriate languages in the website for people with diverse background can use the website.
- It should not cause anxiety in the minds of job applicants while navigating the site.

Guidelines/Cautions for e-Recruitment

- It should meet all requirements and without any bias based on caste and religion.
- It should attract disadvantaged sections of the society.
- It should protect the privacy of individual.

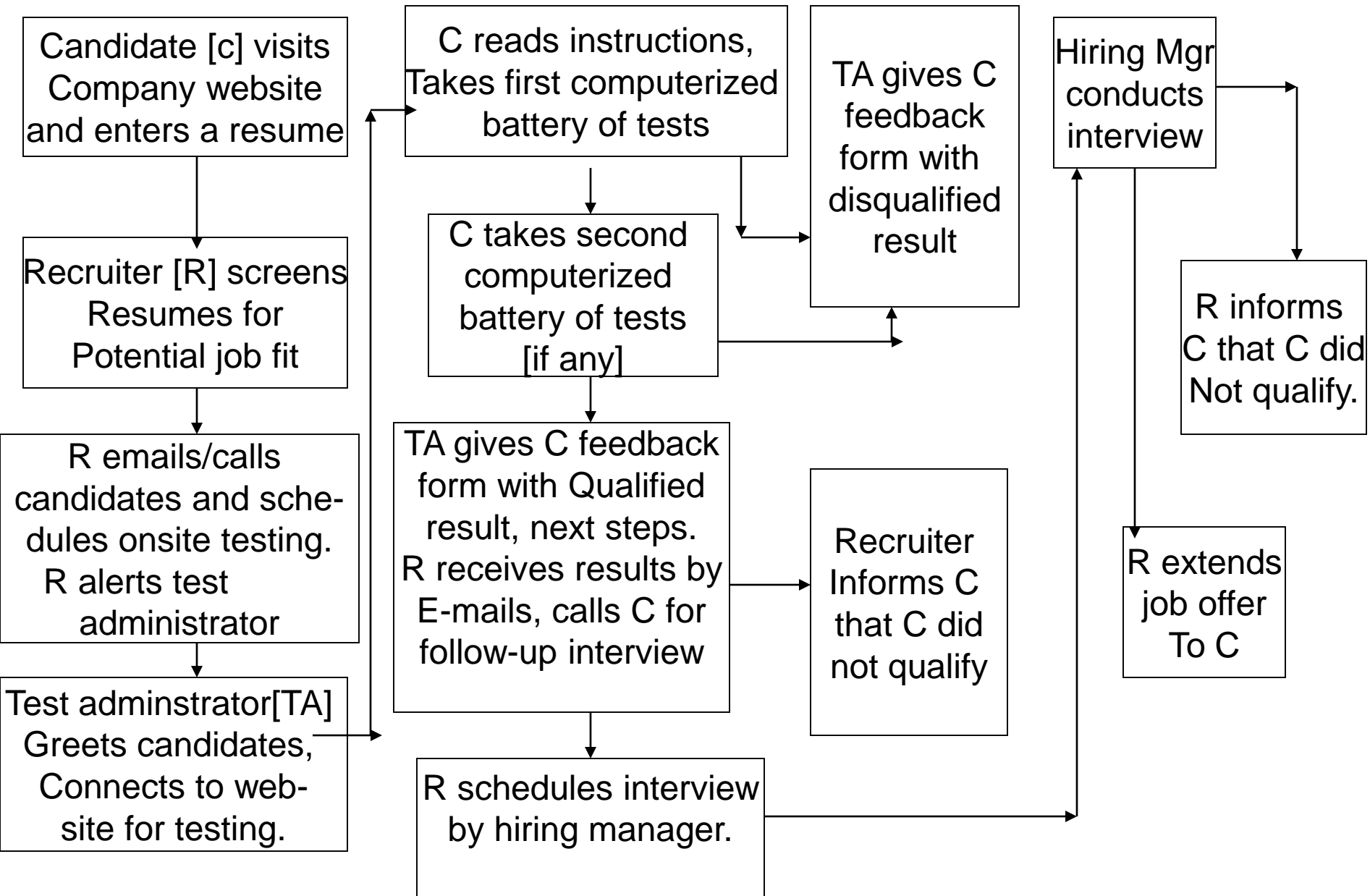
UNIT II

e- Selection

Purposes of e-selection:

- **Achieving cost reduction:** It is mainly for cost saving that organizations switch over to e-selection from conventional selection process.
- **Maximum utilization of human capital:** This is achieved through high retention rates, increased percentage of candidates who meet employees requirements and improved productivity after the new hires.
- **Sustainability:** It refers to the organization's ability and willingness to maintain the e-enabled system and also progressively evolve the system to satisfy changing requirements

e – Selection Process



e – Selection Process

- Organizations planning to introduce e-selection need to consider a variety of procedural requirements, including process to design upfront, vendor selection and project steps, assessment steps and protocol for the test event, feedback to candidates and internal clients, method of processing after testing and management of candidates flow and testing itself.

Technology Considerations

- Which technology to use in selection is a criteria decision to be made by an organization.
- One option is to implement technology as a new module within an existing company system [HRIS] or
- As an intranet application.
- Third implementation method is an Internet application administered via an application service provider [ASP] model by the testing vendor. All the 3 are equally good choices.

e – Selection Decision Points

Considerations	Technology Alternatives		
	PC-Based	Intranet [Internal to Company]	ASP [by vendor]
Cost	Low	Moderate	High
Centralised Databasing	Low	High	High
Ease of updating	Difficult	Easy	Easy
Support	Difficult	Moderate	Easy
Implementation Timeline	Moderate	Moderate	Fast
Integration with other HT systems	Difficult	Moderate-easy	Moderate-easy
Demands on Internal IT resources	Moderate-High	High	Low

e – Performance Management

- The use of technology in performance management tends to increase productivity, enhance competitiveness and motivate employees.

1. Technology may facilitate measuring an individual's performance via computer monitoring activities.
2. It becomes a tool to facilitate the process of writing reviews or generating performance feedback.

More commonest in the context of jobs that involves personal judgement and high discretion.

e – Performance Management

It can be applied in several ways.

- In the first place, routine or low discretion jobs can be subject to computerized performance monitoring [CPM] system that helps generate performance data.
- Second, softwares are available that help generate appraisal forms and their accompanying narrative.
- Third, Performance management system can be integrated with an overall enterprise resource planning [ERP] software system.
- ERP helps HR profesional to identify high performers, spot skill and competency gaps and to analyse pay relative to performance. HR manager can plan for training, coaching and education.

e – Performance Management

- Fourth, firm intranets and Internet may also help performance-management process.
- Fifth, software packages are inexpensive and easy to use.

The greatest benefits of appraisal software are

- the elimination of paperwork
- simplification of the logistics for evaluators, workers and administrators
- Facilitates the tedious parts of evaluation, enabling managers to focus on contents of the evaluation process rather than on forms.
- It may also include a coaching utility that provides information to evaluators about coaching individuals they evaluate.
- Some packages include psychometric features. It help check evaluators from inflating ratings. Such in-built checks boost robustness and accuracy of ratings.

e – Performance Management

Some negatives to the e-enabled ratings.

- It may be observed that performance appraisal is person centric and no machines can substitute one-to-one interaction.
- Face-to-face interaction is vital for objective assessment of anybody's performance.
- So, care must be taken to ensure that technology intervention between an assessee and an assessor is confined to the extent it is essential.

Human Resource Information Systems

- Human resource information systems (HRIS)
 - An integrated system of hardware, software, and databases designed to provide information used in HR decision making.
 - Benefits of HRIS
 - Administrative and operational efficiency in compiling HR data
 - Availability of data for effective HR strategic planning
 - Uses of HRIS
 - Automation of payroll and benefit activities
 - EEO/affirmative action tracking

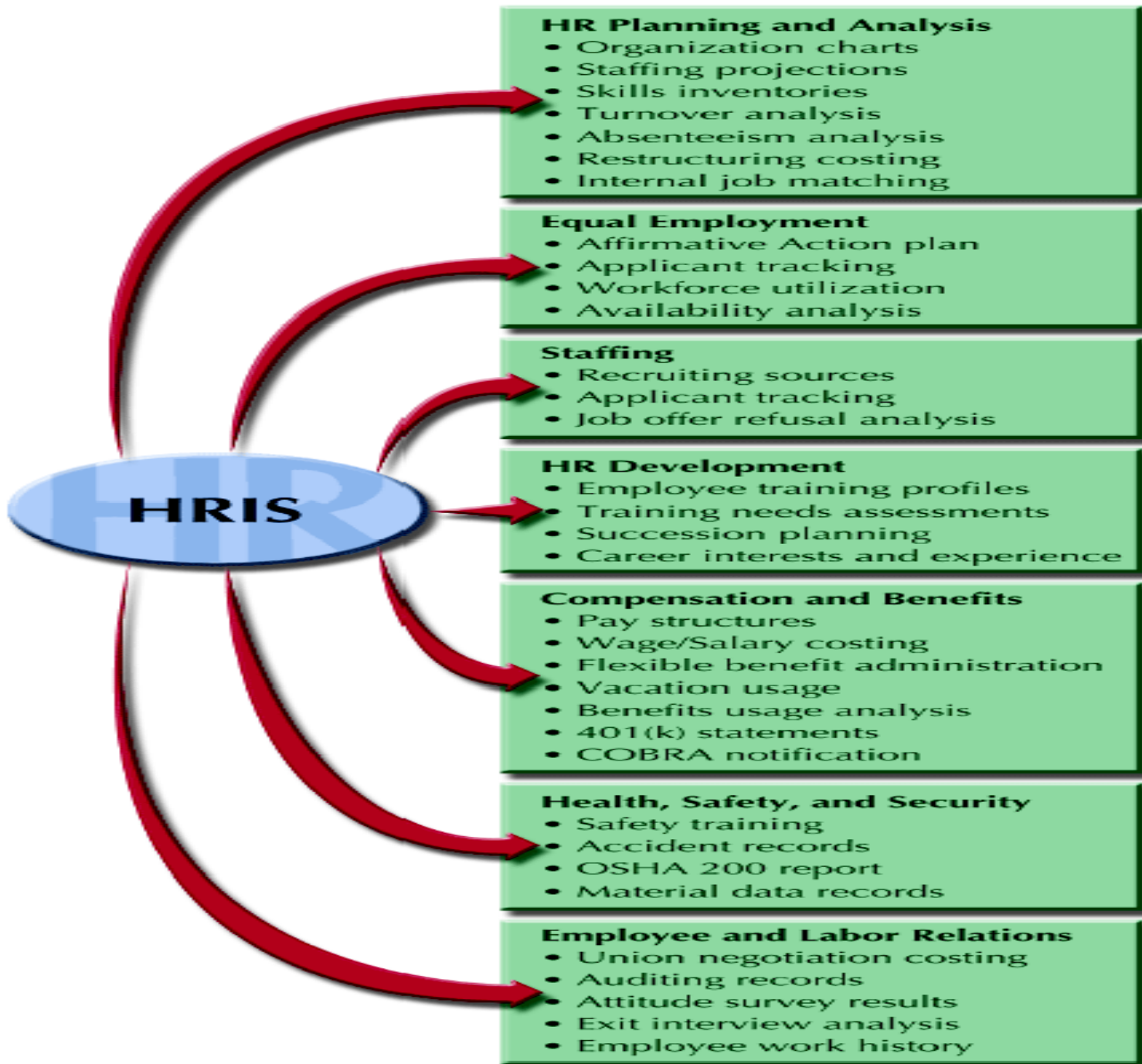


Figure 2-12

- Career interests and experience

Compensation and Benefits

- Pay structures
- Wage/Salary costing
- Flexible benefit administration
- Vacation usage
- Benefits usage analysis
- 401(k) statements
- COBRA notification

Health, Safety, and Security

- Safety training
- Accident records
- OSHA 200 report
- Material data records

Employee and Labor Relations

- Union negotiation costing
- Auditing records
- Attitude survey results
- Exit interview analysis
- Employee work history

Figure 2-12

Designing and Implementing an HRIS

- HRIS Design Issues
 - What information available and what is information needed?
 - To what uses will the information be put?
 - What output format compatibility with other systems is required?
 - Who will be allowed to access to the information?
 - When and how often will the information be needed?

Accessing the HRIS

- Intranet
 - An organizational (internal) network that operates over the Internet.
- Extranet
 - An Internet-linked network that allows employees access to information provided by external entities.
- Web-based HRIS Uses
 - Bulletin boards
 - Data access
 - Employee self-service
 - Extended linkage

UNIT III

CROSS CULTURAL

HRM

Domestic vs International HRM – Cultural Dynamics – Culture Assessment – Cross Cultural Education and Training Programs – Leadership and Strategic HR Issues in International Assignments – Current Challenges in Outsourcing, Cross border M&A – Repatriation, etc – Building Multicultural Organization – International Compensation

The International Imperative

- Why organizations expand internationally:
 - To capture enhanced market opportunities that foreign countries may present.
 - To achieve economies of scale in production and administration by expanding the scope and volume of operations to international markets.
 - Keeping up with industry leaders may require that an organization enter foreign markets.
 - Acquiring ownership of a foreign-based organization or subsidiary.

How International and Domestic HRM Differ

- International HRM requires:
 - Managing a broader range of functional areas.
 - Becoming more involved in employees' personal lives.
 - Setting up several different HRM systems for different geographic locations.
 - Dealing with more complex external constituencies
 - Participating in international assignments that have heightened exposure to personal risk.

International Expansion

- Strategies for expanding internationally:
 - Exporting locally produced goods to the host country.
 - Subcontracting or licensing the production of certain goods or services to a foreign partner.
 - Entering into a joint venture with a foreign partner.
 - Setting up operations (making a direct investment) in the form of a foreign branch or subsidiary.

Assessing Culture: Hofstede's Cultural Differences -Dimensions

- Individualism or collectivism
 - Individualistic societies value the development of and focus on the individual; collective societies value group relationships.
- Power distance
 - The extent to which a society is hierarchical, and how power is distributed among its members.

- Uncertainty avoidance
 - The extent to which a society feels comfortable with ambiguity and values and encourages risk-taking.
- Quantity versus Quality of Life:
Quantity of life: One that is more aggressive, assertive, and focused on achievements, whereas quality of emphasizes interpersonal relationships and sensitivity toward the welfare and well-being of others.

Assessing Culture

EXHIBIT 14-1: EXAMPLES OF HOFSTEDE'S CULTURAL DIMENSIONS

Country	Individualism— Collectivism	Power Distance	Uncertainty Avoidance	Quantity of Life
Australia	Individual	Small	Moderate	Strong
Canada	Individual	Small	Low	Moderate
England	Individual	Small	Moderate	Strong
France	Individual	Large	High	Weak
Greece	Collective	Large	High	Moderate
Italy	Individual	Moderate	High	Strong
Japan	Collective	Moderate	High	Strong
Mexico	Collective	Large	High	Strong
Singapore	Collective	Large	Low	Moderate
Sweden	Individual	Small	Low	Weak
United States	Individual	Small	Low	Strong
Venezuela	Collective	Large	High	Strong

A weak quantity-of-life score is equivalent to a high quality-of-life score.

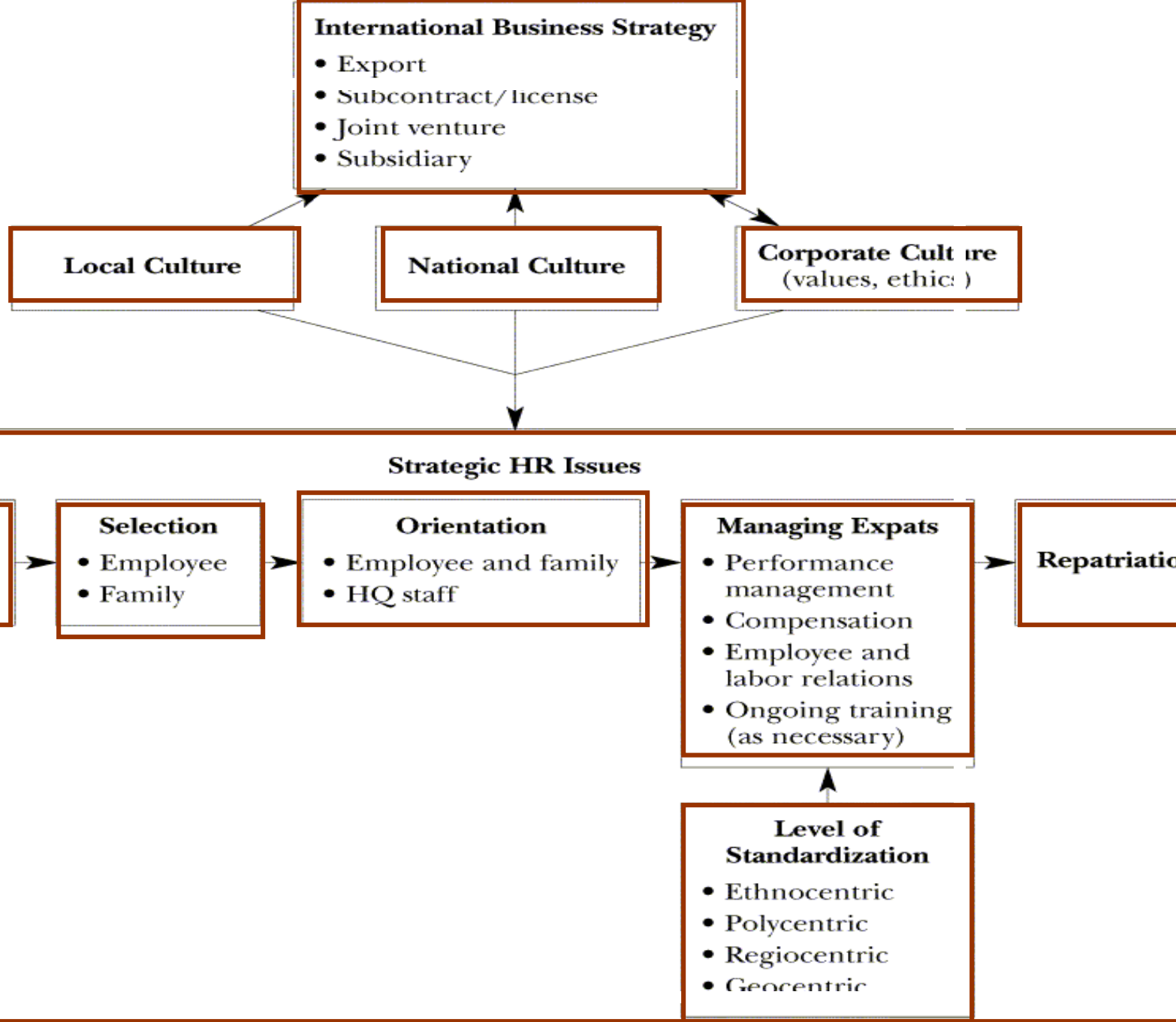
Source: G. Hofstede, "Motivation, Leadership, and Organization: Do American Theories Apply Abroad?" *Organizational Dynamics*, Summer 1980, pp. 42-50.

Hall's Model of Cultural Differences

- Five silent languages that define patterns of communication in the culture:
 - Time- the importance or sense of time in daily activities.
 - Space (distance)- the amount of physical distance individuals attempt to maintain between themselves and others.
 - Material goods- the emphasis or inferences on the possession of goods to signify power, success and status
 - Friendships- the importance of friendships in conferring status on an individual.
 - Agreements- considers how agreements are reached.

Strategic HR Issues in International Assignments

- Approaches to sending employees abroad:
 - *Administrative approach*: involves merely assisting the employee destined for an international assignment with paperwork and minor logistics
 - *Tactical approach* :involves managing the “risk or failure” factor of overseas assignment by providing paperwork assistance and a modest amount of training.
 - *Strategic approach*: involves extensive support and coordination of the international assignment and a strategized repatriation program at the end of the assignment.



Strategic HR Issues in International Assignments (cont'd)

EXHIBIT 14-3: PURPOSES OF EXPATRIATION

Organizational

- Business or market development
- Set-up, transfer, or integration of information technology
- Manage autonomous subsidiary
- Coordinate or integrate foreign operation with domestic
- Fill vacant position temporarily
- Develop local management talent

Individual

- Skill development
- Preparation for top management
- Follow dual-career partner/spouse

Selection

- Assess the adaptability to the host culture of both the employee and the family member accompanying him .
- Assessment of the technical capabilities, adaptability, willingness, and motivation to live overseas, tolerance of ambiguity, communication skills, patience and openness to difference in others and willingness to interact of both the employee and accompanying family members.

Orientation

Employee and staff

- Once an employee is selected, next step is to
- provide appropriate training for the employee and family members.
- Initial training should begin at least 6 to 9 months prior to the start of the assignment.
- Longer training periods will reflect the need to learn language skills necessary in the host country.
- Cost : Investment is far better than monetary, political, and reputation-damaging costs of a failed overseas assignment.
- Prior to the departure, employee should receive cross cultural training – norms, values of host country, workplace and business practices, language training, health and safety issues, and realistic expectations of day-to-day life.

Orientation

Head Quarters:

Simultaneous training should be conducted for headquarters staff who will be supervising and /or interacting with the employee who is abroad.

Clashes between local culture and HQ are common – sensitivity trg.

Sensitivity training will help HQ staff

1. understand how and why local decisions are being made
2. Allow them to give the expatriate employee the necessary support and empathy .

Managing Expatriate's

- 1. Ongoing training:** Assess the ongoing training needs of the expatriate employee and family particularly if this is the first time – some unanticipated events – need support and training.
- 2. Performance management:** is more challenging. Expatriate's functional boss is located domestically, and others in the organization may not be aware of how economic, social and political conditions and everyday living situations impact the expatriate's performance.
- 3. Employee and Labor relations:** The expatriate may have to manage a local workforce – challenging. May have to manage the dynamics of being foreign manager of local workforce.

Managing Expatriate's

4. **Compensation:** It is costly to send an employee overseas, usually amounting to as much as 3 times the employee's annual domestic salary.

Income tax statements for the expatriate is complicated and costly.

Benefits such as armed security guards or private schooling for the employee's children may be necessary.

Outsourcing compensation to a third party has to be done properly. Third party who does not fully understand the organization's overall strategy or in impacting the employee family's ability to live in the host country.

Determining Expatriate compensation

- Balance sheet method
 - Expatriate salary is based on home country pay and additional expenses associated with relocation and the assignment to itself are added to arrive at the overall reimbursement and compensation level.
- Higher-of-home-or-host method
 - Employee's salary at home is adjusted upward to account for a higher cost of living in the host country.
- Localization approach [Permanent basis]
 - Employee's salary is converted to the host country's equivalent when the employee is on permanent assignment.

Setting Strategic HR Standards

EXHIBIT 14-4: FOUR APPROACHES TO IHRM

Aspect of the Enterprise	Orientation			
	Ethnocentric	Polycentric	Regiocentric	Geocentric
Standard Setting, Evaluation, and Control	By home country headquarters	By local subsidiary management	Coordination across countries in the region	Global as well as local standards and control
Communication and Coordination	From HQ to local subsidiary	Little among subsidiaries, little between subsidiary and HQ	Little between subsidiary and HQ, medium to high among subsidiaries in region	Totally connected network of subsidiaries and subsidiaries with headquarters
Staffing	Home country managers	Host country managers	Managers may come from nations within region	Best people where they can be best used

Global Assignment Management Cycle

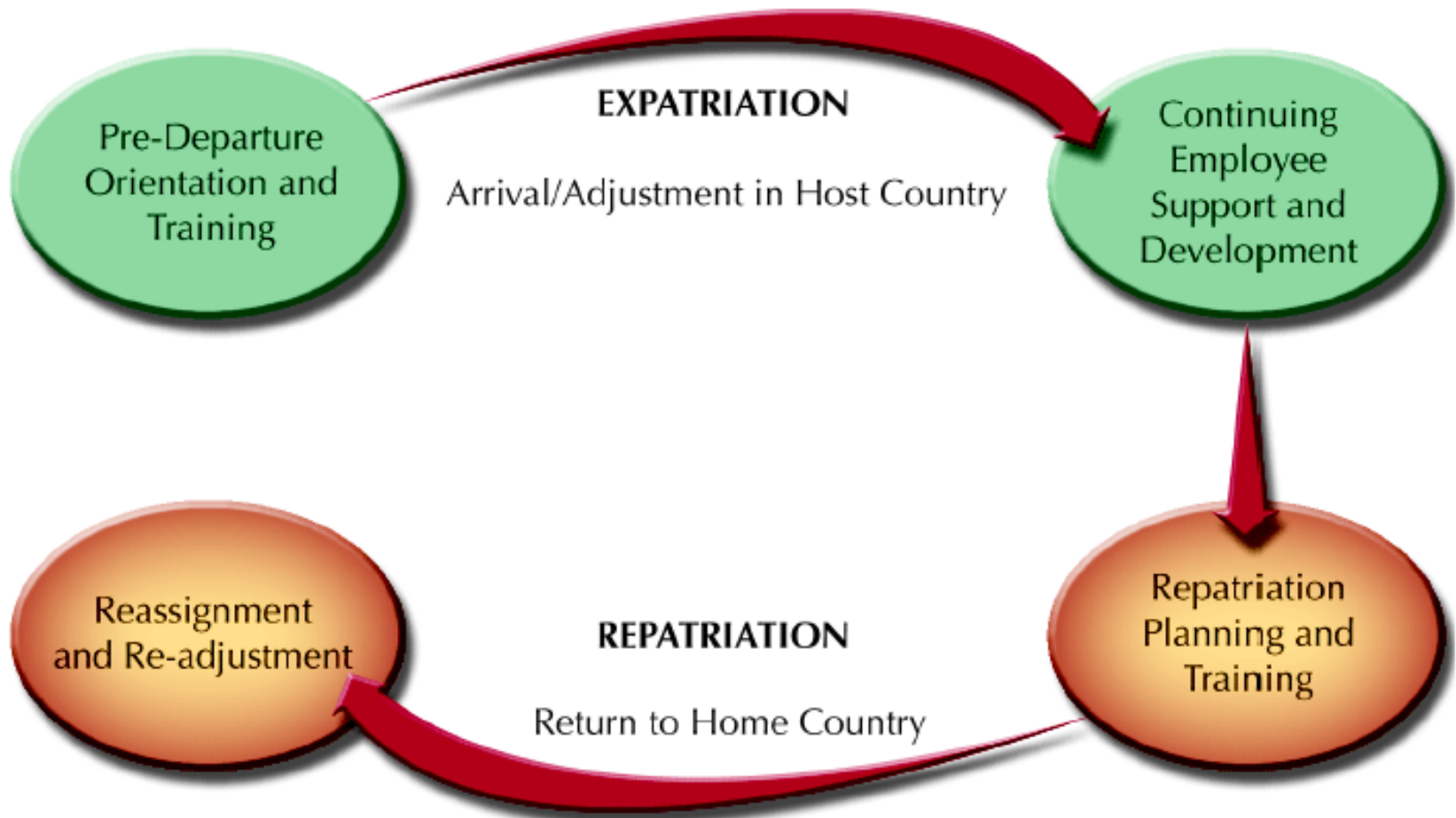


Figure 18-7

Expatriation and Repatriation

- Expatriation: Preparing and sending global employees to their foreign assignments
- Repatriation: Planning, training, and reassignment of global employees to their home countries

UNIT IV

REPATRIATION

- The final issue in managing international assignments is repatriation of returning employees.
- Organizations need to establish a strategy that allows them to take the valuable experience abroad and
 1. integrate with what is happening at home and
 2. allow coworkers to learn of the repatriate's experience to enhance their own performance.

REPATRIATION

- Repatriates to be considered from investment perspective:
- Organization has invested a sizable amount of time and money in the international assignment of the employee-development professionally and personally.
- Career management programs has to be developed that allow these returning repatriates from abroad to share their knowledge with competitors-rather than leave the organization and share that knowledge with competitors-then the investment has a negative return.

Problems in Repatriation

- Repatriates: no job assignment waiting for them or receive a job demotion.
- Expatriates often have high ranking autonomous positions overseas and are forced to assume positions that strip them of this autonomy upon their return.
- So, expatriates choose to move to another expatriate assignment with the same employer or with a different employer rather than return to HQ.

Repatriation

- Any strategy for repatriation has to address the purpose of the expatriation.
- The process of repatriation can be greatly facilitated if a clear purpose for the assignment was established ahead of time based on the needs of both employer and employee.

EXHIBIT 14-5: ISSUES TO BE ADDRESSED IN A REPATRIATION PROCESS

Career

- Career anxiety—current place, future
- Organization's reaction
- Loss of autonomy
- Adaptation to change

Personal

- Logistics
- Personal readjustment
- Family readjustment

Repatriation Process

- The first career issue is resolving career anxiety by helping the employee returning from abroad find an appropriate place that is connected with a career path for the future.
- The second career issue is the organization's reaction to the return.
- The third issue is the loss of autonomy.
- The fourth career issue is adaptation.

Repatriation Process

Personal Issues:

- The first issue is logistics- personal savings will need to be transferred, currency converted, personal belongings inventoried and shipped, automobiles and homes purchased and sold, school transfers arranged, and possibly spousal employment assistance arranged.
- The second personal issue is readjustment and integration into the community for the employee.
- The third personal issue is readjustment and integration into the community for the employee's family.

Intercultural Competency Training

Component	Possible Training
<i>Cognitive</i>	<ul style="list-style-type: none">• <i>Culture-specific training (traditions, history, culture customs, etc.)</i>• <i>Language course</i>
<i>Emotional</i>	<ul style="list-style-type: none">• <i>Uneasiness: social skills training focusing on new/unclear and intercultural situations</i>• <i>Prejudices: coaching may be clarifying</i>• <i>Sensitivity: communication skills course (active listening, verbal/nonverbal cues, empathy)</i>
<i>Behavioral</i>	<ul style="list-style-type: none">• <i>Culture Assimilator</i>• <i>International projects</i>• <i>Social skills training focusing on intercultural situations</i>

Cross-Cultural Training Methods

- **Cultural Briefings** Explain the major aspects of the host country culture, including customs, traditions, every day behaviors.
- **Area Briefings** Explain the history, geography, economy, politics, and other general information about the host country and region.
- **Cases** Portray a real-life situation in business or personal life to illustrate some aspect of living or working in the host culture.

Cross-Cultural Training Methods (cont.)

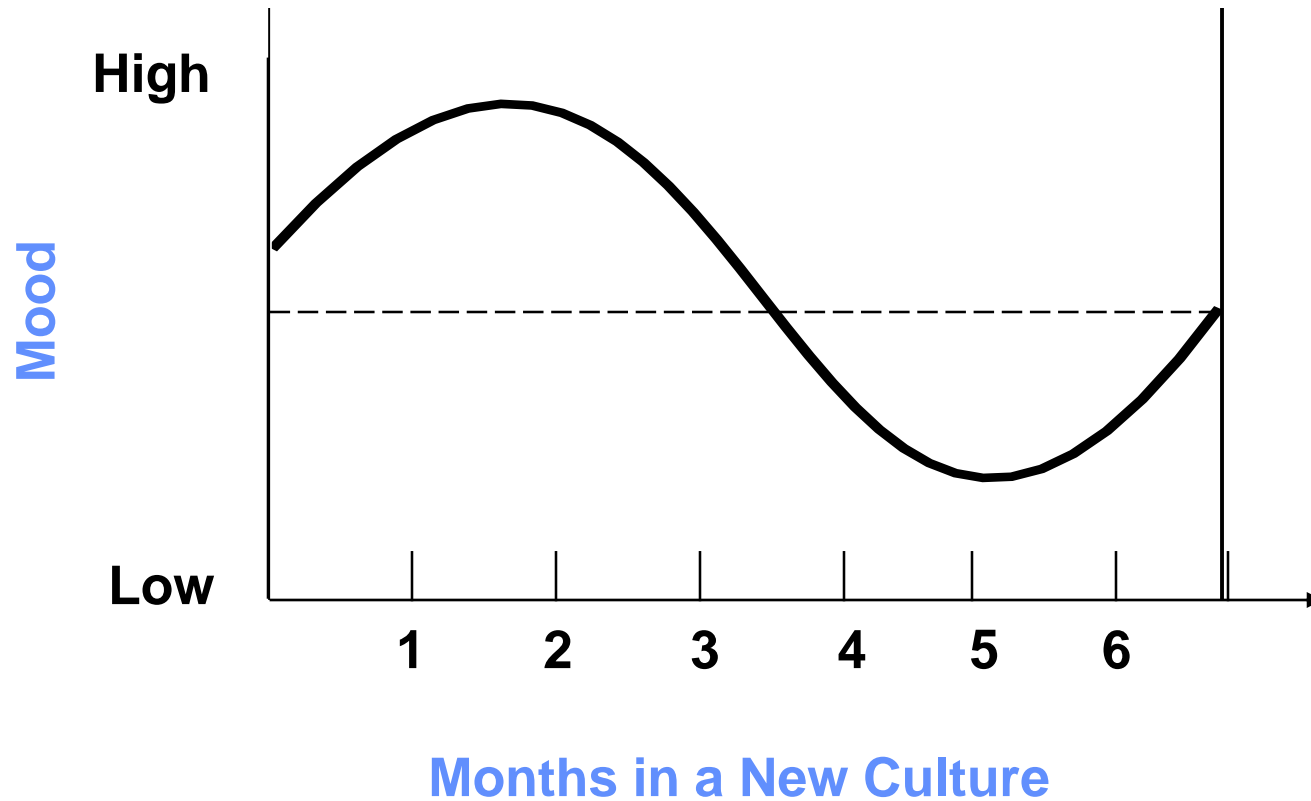
- **Role Playing** Allows the trainee to act out a situation that he or she might face in living or working in the host country.
- **Culture Assimilator** Provides a written set of situations that the trainee might encounter in living or working in the host country. Trainee selects one from a set of responses to the situation and is given feedback as to whether it is appropriate and why.
- **Field Experiences** Provide an opportunity for the trainee to go to the host country or another unfamiliar culture to experience living and working for a short time.

Cultural shock

Moving to the foreign country--Culture shock and assimilation process—

- Degree of novelty & strangeness of the new setting
- Degree of acceptance by expatriate & family & its reciprocal--acceptance by locals
- Movement into ethnic “enclaves”
- Home & country cultural values of integration vs. sustaining separation e.g. French vs. British patterns
- Infrastructural support—housing arrangements, assistance in dealing with governmental requirements, local sponsors, . . .

Culture Shock Cycle



Cultural shock

Moving back to the home country

- Shifting status, authority & power
- Shifting roles for spouses, & extended family & social structures
- Different infrastructures-education, health, standard of living, language, bureaucracy
- Problem of children & peer groups

CROSS CULTURAL TRAINING

BENEFITS

- Increases chances of success in global assignment
- Provides a comprehensive global perspective for managers.
- Instills a sense of confidence into people.
- Foreign employees can be managed better
- Reduces culture shock.

DEMERITS

- Develops a false sense of confidence among expatriates.
- May not remove cultural biases and prejudices
- May not be taken seriously by the recipients.
- May not make a visible difference volumes
- Can never fully prepare an assignee to face real problems

LANGUAGE TRAINING

- Language training is a seemingly obvious and desirable component of pre-departure programme.
- Those who can speak only English are at a distinct disadvantage when doing business in non-English speaking like China, Japan etc.
- Willingness to communicate in the host-country language will help build rapport with local employees and improve the expatriate's effectiveness.

Practical Training

- This seeks to help the expatriate manager and family feel at home in the host-country.
- There is a need for a support network of friends.
- Importance of training expatriates before their departure is very important.
- There are examples of tragedy.

International Compensation

Any expatriate remuneration package needs to be designed to achieve the following objectives:

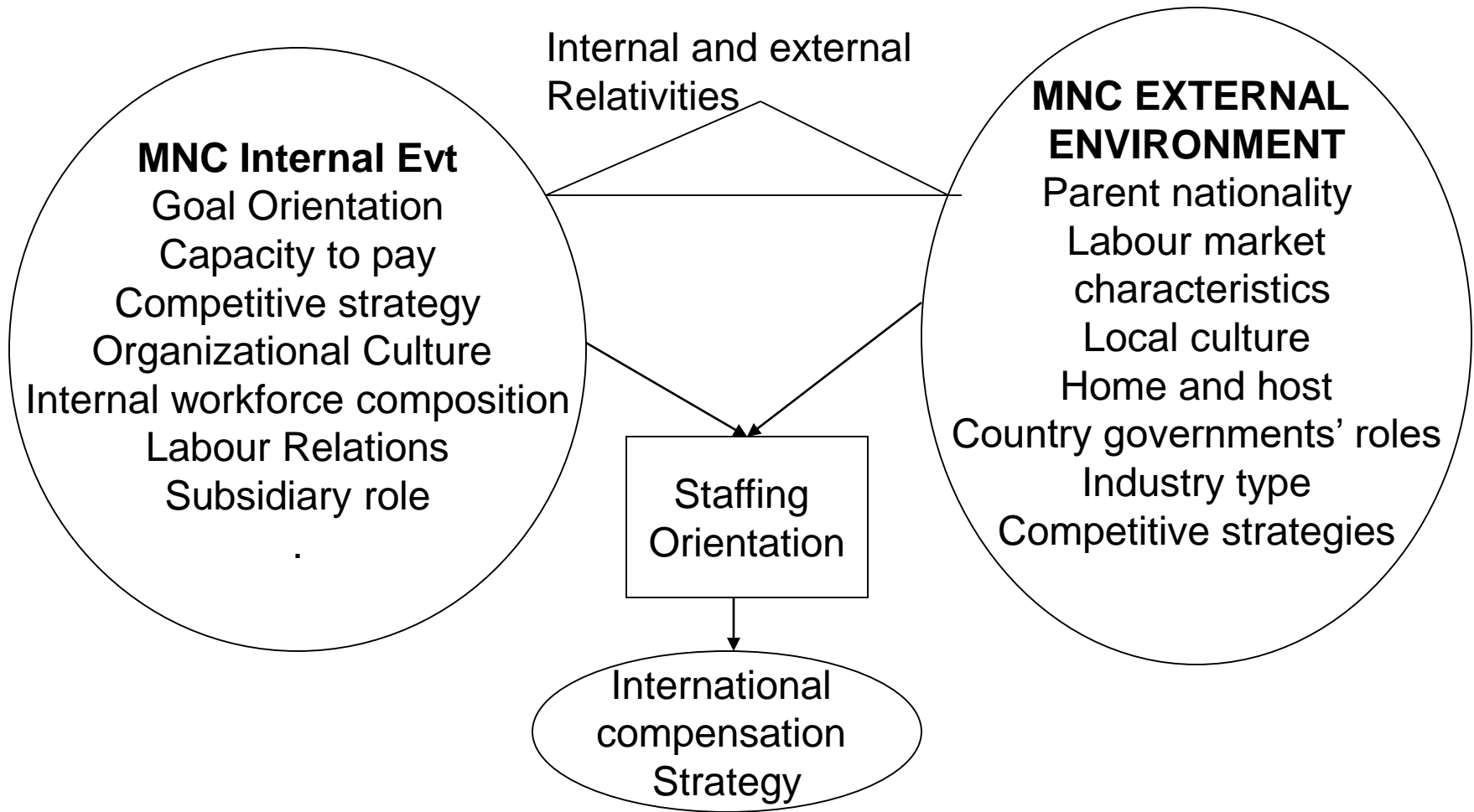
- Attract employees who are qualified and interested in international assignments
- Facilitate the movement of expatriates from one subsidiary to another, from the home country to subsidiaries, and from subsidiaries back to the home country.
- Provides a consistent and reasonable relationship between the pay levels of employees at the HQ, domestic affiliates, and foreign subsidiaries.
- Be cost effective by reducing unnecessary expenses.

Problems in designing International Compensation

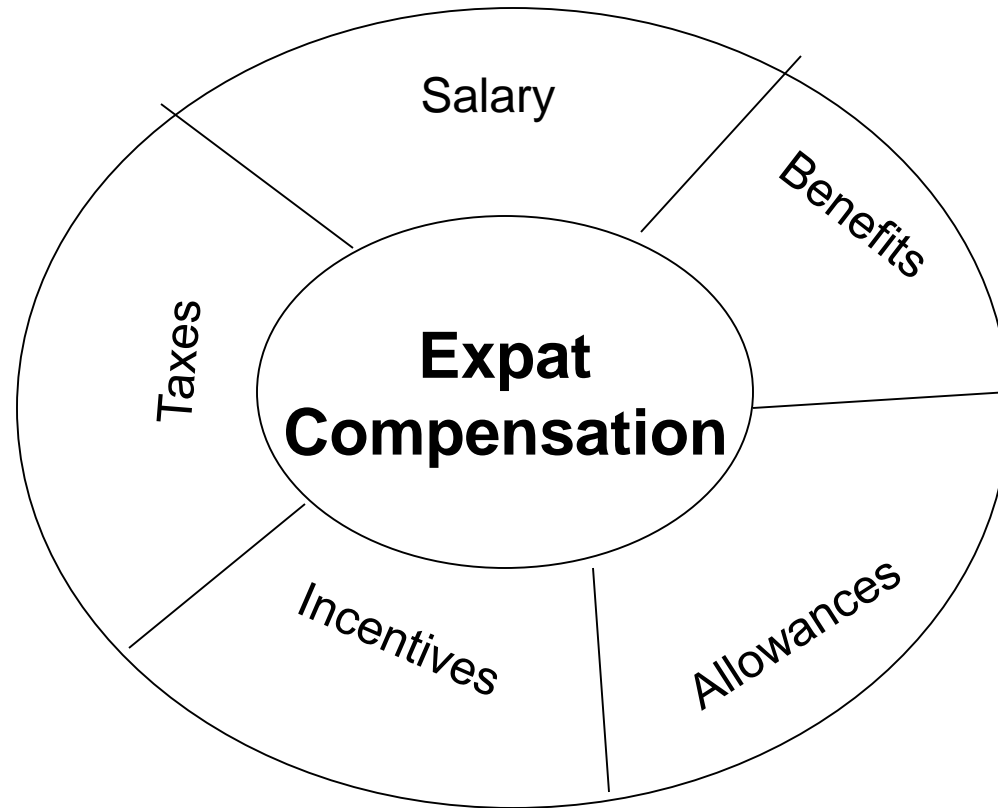
- Discrepancies in pay between parent, host and third-country nationals.
- The need to vary expatriate compensation, depending on the stage of life cycle of the expatriate's family.
- Remuneration issues related to re-entry into the parent-country organization.
- Remuneration issues to deal adequately with new waves of change in the international business environment.

UNIT V

Factors influencing International Compensation



Components of Expat Compensation



Typical Expatriate Compensation Components



Figure 18–10

Components of Expat Compensation

Base Salary:

- In domestic, base salary denotes the amount of cash compensation that serves as a benchmark for other components. [bonus and benefits]
- For expats, it is the primary component of a package of allowances many of which are directly related to the base salary. [foreign service premium, cost-of living allowance, housing allowance] as well as the basis for in-service benefits and pension contributions
- It may be paid in home-country or host-country currency.
- The base salary is the foundation block for international remuneration whether the employee is a parent-country or third country national.

Benefits

- This include a major element of the remuneration of a regular employee.

Issues in it are

- Whether MNCs should maintain expats in the home country benefits programmes,
- Whether MNC's have the option of enrolling expatriates in the host-country benefits programmes and or making up for any difference in coverage.
- Whether host country legislations regarding termination of employment affects the employee benefits entitlement.
- Whether the home or the host country is responsible for the expatriate social security benefits.
- Whether home country benefits should be available to local citizens.

Allowances

- These are an expensive feature of expatriate remuneration packages.
- Cost – of living allowance – a payment for differences between the home country and the overseas assignment
- This also includes relocation, housing education, and hardship.
- It also includes spouse assistance.

Incentives

- MNC's design special incentives programmes for keeping expatriate motivated.
- In the process, a growing no: of firms have dropped the ongoing premium for overseas assignment and replaced it with one-time lump-sum premium.
- The lump-sum payment has 3 advantages.
 1. Expatriates realise that they are paid this only once and that too when they accept an overseas assignment. So the payment tends to retain its motivational value.

Incentives

2. Costs to the company are less because there is only one payment and no future financial commitment
3. Incentive is a separate payment, distinguishable from a regular pay, and its is more readily for saving or spending.

Taxes

- The final component of the expatriate's remuneration relates to taxes.
- MNC's select one of the following approaches to handle international taxation.
 1. Tax Equalisation: Firms withhold an amount equal to the home-country tax obligation of the expatriate, and pay all taxes in the host country.
 2. Tax Protection: The employer pays up to the amount of taxes he or she would pay on remuneration in the home country. In such a situation, the employee is entitled to any windfall received if total taxes are less in the foreign country than in the home country.

Determining Expatriate compensation

1. Balance sheet method

- Expatriate salary is based on home country pay and additional expenses associated with relocation and the assignment to itself are added to arrive at the overall reimbursement and compensation level.
- This seeks to equate or balance an expat's purchasing power in the host country .
- In order to balance the compensation received for the international assignment with compensation received in the home country, additional salary has to be provided.
- This increased salary includes adjustments for difference in taxes, housing, and the costs of basic goods and services.

Determining Expatriate compensation

2. Higher-of-home-or-host method [Going rate approach]
 - Employee's salary at home is adjusted upward to account for a higher cost of living in the host country.
3. Lumpsum Method: It involves giving the expat a determined pay and letting the individual decide about how to spend it.
4. Cafeteria approach: It entails giving expat a series of options and then deciding him or her how to spend the available funds.
5. Regional system: MNC sets a compensation system for all expats who assigned to a particular region. Thus everyone going to Europe falls under one particular system and those to SA will fall under a different system.