Chapter 79

Human Resource Management for the 21ˢᵗ Century Global Economy

Julianne Seely
Grantham University, USA

ABSTRACT

The purpose of this chapter is to concentrate on Global Human Resource Management (GHRM) by demonstrating how the functional areas of Human Resource Management, such as talent acquisition, leadership capacity, training/development, and compensation/benefits, need to be fused with a higher level of strategic endeavor through cultural intelligence (CQ), system thinking, and the applications of related system archetypes. Understanding the role cultural intelligence plays in the global business community, knowledge of how systems and subsystems operate, and how variables impact the immediate landscape, as well as overall business performance, are the key drivers for competing successfully in the global marketplace.

INTRODUCTION

Unquestionably one the most critical issues facing globalization of the workforce today is that of talent acquisition – requisite skills, retention, leadership, and continued development of expertise necessary to compete in the complex world of unknowns. The skills and abilities we possess today will diminish in importance and application over time more quickly than ever before, and as M. Goldsmith reminds us in the best-selling book, *What Got You Here Won't Get You There*, a new set of behaviors are therefore essential. How we question the underlying assumptions that our hiring and leadership decisions are based and how we forecast and then prepare for the next iteration of global business demands as well as the evolving expectations of the global marketplace, in a very large part will determine our position in a

world economy. To that end, the objectives of this chapter are four-fold:

1. To examine how we currently address the issue of talent acquisition
2. To understand the radical changes that have taken place in the global economy and how these changes impact leadership knowledge, skills and abilities
3. To highlight and articulate the crucial role that cultural intelligence (CQ) demands for the entire workforce
4. To examine the role of systems thinking and application of system archetypes to act as the cohesive force that blends all of these variables in such a way as to position our economy in a place of leadership in the global community

BACKGROUND

The role of Human Resource Management (HRM) has somewhat evolved from a "backroom" function to a respectable place in the boardroom – to that of a strategic partner. No longer can organizations compete in a global business economy with the mindset of constraints bound by administrative tasks. The critical business of HRM today is one of partnering with business leaders throughout the enterprise to hire the 'right talent', take an active role in advancing the skill sets of its organization, irrespective of organizational position, retain that talent as well as engage leaders who possess the insight and innovation required in this uncertain, global business world of the 21st century.

To succeed in this seemingly overwhelming task, it is necessary to answer some very basic questions. How will this be accomplished given the level of complexity and change found in our boundary-less world? Who will have the capabilities to create a strategic HRM plan that incorporates the needs of a global organization? What tools will he/she use to craft and insure this strategy?

CAPABILITY 1: TALENT ACQUISITION, DEVELOPMENT, AND PROMOTION

Fifty years ago, the late P. Drucker coined the term "Knowledge Workers" to denote a class of business leaders whose value was based on what they knew. Knowledge Workers are required today more than in the past as business has become more complex due to technological advances and other factors; however, all employees need expertise that will enable them to function successfully in a global workplace. Knowledge and the ability to identify cultural differences and similarities as well the ability to respond appropriately is a necessary commodity that extends from the front line to the board room.

A study conducted by McKinsey & Company identified a new concept that has been taking precedence over an older model. Knowledge and talent marketplaces are becoming the seedbeds for global talent – a place where networks of professionals foster a rich exchange of ideas; a place where resources and systems are identified and developed. The call for inspired leadership has never been louder. The global economy requires individuals who possess business savvy, cultural intelligence, and strategic thinking.

A recent report issued by Development Directions International (DDI) found that, of the companies surveyed, the top priority of global businesses today is leadership development. Closely following leadership development was recruiting and retaining top talent. To begin this complex HR staffing journey, one needs to understand how to source the right talent, the right skill sets, and the right fit for the organization's culture – locally, nationally, and globally. However, this is no easy task. We need to ask ourselves what mechanisms are in place in those enterprises that are leading the world in a positive direction. Of particular note, even though we know that talent acquisition is a key factor, our rate of success has changed little over the past decade. In 1997, a study by McK-

Related Content

Evidence Based Strategic Human Capital Management: A Study on Durgapur Steel Plant (DSP)

Dipak Kumar Bhattacharyya (2014). *Strategic Approaches for Human Capital Management and Development in a Turbulent Economy (pp. 53-72).*

www.irma-international.org/chapter/evidence-based-strategic-human-capital-management/80739

Learning Organizations vs. Static Organizations in the Context of E-HRM

Viktor Wang (2009). *Encyclopedia of Human Resources Information Systems: Challenges in e-HRM (pp. 617-622).*

www.irma-international.org/chapter/learning-organizations-static-organizations-context/13290

Strategic Human Resource Development Alignment: Conceptualization from the Employee's Perspective

Ann Herdand Meera Alagaraja (2016). *Bridging the Scholar-Practitioner Gap in Human Resources Development (pp. 85-100).*

www.irma-international.org/chapter/strategic-human-resource-development-alignment/148086

E-HRM as a Reality in Virtual World

Gonca Telli Yamamotoand Ahmet Özbek (2009). *Encyclopedia of Human Resources Information Systems: Challenges in e-HRM (pp. 278-285).*

www.irma-international.org/chapter/hrm-reality-virtual-world/13242

Women in Information Technology

Amy Woszczynski, Martha Myersand Catherine Beise (2004). *Strategies for Managing IS/IT Personnel (pp. 165-194).*

www.irma-international.org/chapter/women-information-technology/29929