

# Exploring Contemporary Trends and Challenges in International Human Resource Management

**Wariwei Doubara**

Postgraduate Student,

Department of Management, Faculty of Management Sciences,  
Niger Delta University. Wilberforce Island, Bayelsa State, Nigeria

DOI: 10.56201/jbae.v10.no1.2024.pg63.72

---

## **Abstract**

*The most precious assets of every organization are its human resource. These individuals come together to assist firms in realizing the firm's vision, and mission statement and achieve the organizations' objectives. There is overwhelming evidence in support of human resources as a key determinant of organizational success. This research article delves into the dynamic landscape of International Human Resource Management (IHRM), focusing on its current trends and associated challenges. In today's globalized world, organizations are increasingly expanding their operations across borders, necessitating a strategic approach to managing human resources on an international scale. Through an extensive review of the literature and empirical analysis, this article identifies key trends and scrutinizes the challenges faced by organizations in effectively managing their global workforces, such as cultural differences, legal and regulatory complexities, communication barriers, and the need for adapting HR policies to diverse contexts. By shedding light on these contemporary issues, this research contributes to a deeper understanding of the intricacies involved in international HR management and provides insights for practitioners and scholars alike to navigate the complexities of managing human resources in a global context. The exploratory study reveals that international human resource management is faced with varying degrees of challenges; it shows that these trends and challenges have an impact on multinational corporation performance; it also reveals that cultural differences and environmental dynamics must be taken into consideration by human resource professionals.*

**Keywords:** *IHRM practices, Workforce Diversity and Inclusion, Globalization, Employee Expectancy*

---

## **INTRODUCTION**

Human resource management refers to the management of human resources whether internationally or locally. This management of human resources across national boundaries cannot come without varying challenges (Sandeep, 2017). Organizations of today continue to operate in a dynamic and often unpredictable environment with the attendant of heightened competition and that is why the issue of human resource management should be taken seriously across national

boundaries. Armstrong (2012), posits that international human resource management is the process of managing people across international boundaries by multinational organizations.

Davinder (2022), asserts that international human resource management refers to the process of bringing people and organizations together so that the goals of each other (both employees and organization can met). Anuradha (2021), described international human resource management as the process of setting common goals and bringing firms and people together so that organizations will be achieving their objectives while employees will be meeting their own goals in the long-run relationship. Reiche et al (2018), defined international human resource management as the process of managing workers in a particular manner in global and multi-international organizations. The actual success and progress of international human resources management are dependent on the capability of human resources managers to create an enabling environment for managing staff and the precision of applying human resource management practices to organisational endeavor (Zheng, 2016). Effective international human resource management supports ensuring that employees in overseas corporations have high levels of job satisfaction and productivity for the attainment of individual and organizational objectives (Hutchings & Decieri, 2016). With the intensification of heightened competition among firms, continuous renewal is now being emphasized and this can be achieved through human resource management. Hence, the role of human resources becomes imperative in both the public and private sectors of the countries where these business units are being established (Jozsef, 2012). Therefore, Taylor (1996), posits that international human resource management is seen as the process of distinct activities, functions, and processes that are directed at attracting, developing, and maintaining international organizations' human resources.

Mohd et. al (2014), identified the following dimensions of international human resource management to include recruitment and selection, compensation, knowledge management, leadership, and employee relations. Menaka (2016), proposed his dimensions of international human resource management to include skill development, corporate communication, alignment, cultural link, and empowerment. Moreso, Dessler (2015), Nehles et. al (2006), Lee and Bruvold (2003), Masoodul et. al (2013), and Yingying (2017) proposed the following dimension of international human resource management to include retaining a distinctive workforce, organizational culture, human resource development, training, and career management. Furthermore, Agulanna and Austin (2011), proposed their dimensions of international human resource management to include organization design resourcing, performance management, reward management, and organizational learning. International human resource management can be critical for a firm success, given its links to job satisfaction, employee morale, and how they were been managed. Moreover, the importance of international human resource management cannot be overemphasized as human resource enables organizations to improve to achieve their desired end and be competitive in the market. International human resource management involves overseeing an organization's workforce in a global context. Anuradha (2021), stated that International human resource management encompasses human resource practices across different countries and cultures, ensuring that employees are effectively managed regardless of their geographical location. Understanding international human resource management is crucial for businesses operating internationally as it directly impacts their success in foreign markets (Menaka

2016). Employees who are engaged in international firms/corporations will struggle to add value to strategic business objectives because engaged workers lead to long-term employee retention, foster higher employee performance, and improve the quality of work and organizational success. The role of international human resource management is very important in an organization and it should not be overlooked especially in large-scale enterprises. It is the key to the whole organization and related to all the key to the whole organization and related to all other activities of the management in terms of marketing, production, finance, procurement, etc. This means that without a proper understanding of international human resource management principles, organizations risk facing legal issues due to non-compliance with local labour laws or cultural conflict within their international teams (Padmini& Yoshi, 2013).

Interestingly, no enterprise around the globe can succeed in business without properly managing its human resource. Business enterprises around the world are in a continuous state of maintaining and sustaining enterprise performance through human resources.

Moreover, Ramazan 2015 examined the effect of international human resource management on business performance and posited that human resource management practices adopted by leaders of the organization should advance organizational effectiveness and keep workers with knowledge, skills, and abilities and acquire them to behave in the manner that will assist the mission and aims of the organization. Again Nivesh (2022), examines the effect of international human resources concerning multinational corporations across national boundaries and asserts that effective management of these workers will increase organizational effectiveness and efficiency by ensuring profitable experiences for both parties (i.e. organization and employees). For instance, when employees are employed in the organization, a well-applied orientation programme will give the workers an understanding of what is required of them by joining the firm and this will assist them to learn about the firm's core values, processes, and procedures to increase organizational performance.

Interestingly, multinational corporations also face challenges concerning human resource management. Multinational corporations or enterprises do not operate in a vacuum, they operate in multiple national contexts and each one with its institutional framework, cultural context systems, and regulations across national boundaries where organizations are cited (Elaine et.al, 2019). Moreso, organizations that have expanded their business operations to other countries may face international human resource challenges due to cultural differences, time zones, and the failure to maintain legal compliance with labor laws.

Hence, international human resource professionals must excel at communication and devise strategic management systems to oversee employees all over the globe. It is worthy to assert that international human resource management challenges include breaking local employment law, creating a healthy work environment, administering ethical human resource policies managing people globally, and training international talent (Elaine et.al, 2019) among the challenges of international human resource management identified in this research work, the biggest challenge encountered by international human resource professional is cultural differences and this can lead to communication barriers, misunderstanding, and ineffective cross-cultural communication.

There is a need to therefore, highlight the international human resource management trends and challenges and how management braces with the challenges enumerated above so they can achieve success irrespective of the diverse issues confronting them. As such, if these problems exist in an organization established abroad, hence achieving high performance or success would become an issue (Matthew &Kajo, 2021).

However, this study sought to examine the correlation between international human resource management trends and challenges. This research work is based on the assumption that international human resource management trends and challenges have an influence on firm performance in cross-national boundaries. Highlighting the gap in the literature shows that even though there are empirical studies conducted to investigate the relationship between international human resource management trends and challenges, it is difficult to find a study that has examined all the variables considered in this research work in terms of trends and challenges. (Matthew &Kajo 2021). The purpose of this research work is to conduct theoretical research to identify the various current trends and challenges faced by multinational corporations.

## **CONCEPTUAL REVIEW OF LITERATURE**

### **International Human Resource Management**

In our globalized society today where businesses are expanding their operations across borders, the imperativeness of international human resource management cannot be overemphasized. International human resource management refers to managing human resources in multinational companies operating in multiple countries (Anyim et. al, 2011). International human resource management refers to a set of organizational activities and systems aimed at effectively managing and directing human or workers towards achieving enterprise objectives. Moreso, Mohd et.al (2014), assert that international human resource management has to do with designing of management system to ensure that employee's talent is utilized effectively and efficiently to achieve organizational goals.

Sirisha (2007), conceptualized international human resource management as a set of activities geared towards managing corporate human resources at the international level to achieve organizational objectives and competence advantage over competitors in the national and international markets. Sirisha(2007), further posits that international human resource management is the process of procuring, allocating, and effectively utilizing the human resources in a multinational corporation to achieve system objectives. This means that international human resource management is concerned with identifying and understanding how multinational corporations manage their geographically dispersed workforce to take advantage of their human resource and win over competitors in the same market. In international human resource management imperative to determine both current and future enterprise requirements for both core workers and the contingent workforce with regards to their skills/ techniques abilities, competencies, flexibility, etc (Brindhha 2013). The analysis requires consideration of the internal and external factors that can affect the resourcing, development, motivation, and retention of employees and other workers.

Nevertheless, the external factors are those largely outside the organization that negatively impact its ability to succeed and the issues confronting the firm externally are economic climate current and future trends of the labor market, etc. On the other hand, internal factors that also put some pressure on the firm but are under the control of the management include employees, suppliers competitors, distributors etc and these factors must be monitored and control in as much as the firm wants to succeed. Hence, international human resource professionals who are capable of replicating practices on a global level with accuracy and consistency will achieve a competitive advantage (Michael, 2013).

## TRENDS IN INTERNATIONAL HUMAN RESOURCE MANAGEMENT

International human resource management places higher emphasis on several responsibilities and functions such as relocation, orientation, and translation services to assist workers adapt to new and different environments outside their own country (Madhu et. al, 2017). These various trend include globalization, workforce diversity, employee expectation, changing skill requirement, corporate downsizing, re-engineering work processes for improved productivity, employee involvement, and technology (Sandeep 2017).

- **Globalization:** Globalization refers to an expression coined to describe efforts by multinational businesses or corporations to achieve international standards across their worldwide subsidiaries, whilst at the same time respecting local practices and taking them into account (Brewster et.al, 2006). In other words, it refers to the increasingly global relationship of culture, people, and economic activity. We can also say that globalization refers to the processes of international integration arising from the interchange of world views, products, ideas, and another aspect of culture (Emeka et. al, 2006). Advances in transport and communication in particular the internet are major factors in globalization generating further interdependence of economic and cultural activities. To this end, globalization means the integration of national economies into the international economy through trade, foreign direct investment, capital flow migration and the spread of technology (Boohene&Asuinura, 2011).
- **Workforce Diversity:** As multinational corporations increasingly operate beyond their national boundaries the workforce as well as the customer base grows increasingly diverse. The issues of diversity are most prevalent in the workplace now (Sathishbabu&Sripathi, 2021). Workforce diversity has to do with differences in demographics such as male and female, local and international. For instance, many foreigners are seeking employment outside their geographical space, we also look at young and old, cultural backgrounds coming to work together in one organization. All of these factors have necessitated the study of organizational theory and design. So, for a multinational corporation to survive and sustain itself, the manager must seek means to balance all the challenges facing their firms.
- **Employee Expectation:** Employee expectations are another trend concerning international human resource management. These varying expectations of employees can also trigger change in organizations. An enterprise that hires a group of young newcomers may find or discover that their expectations are very different from those expressed by older employees (Emeka et. al, 2016). Take For instance, assuming the workforce is more educated than



ever before, employees with more education will demand more from employers. Therefore, the many sources of workforce diversity hold the potential for a host of differing expectations among workers.

- **Changing skill requirement:** Recruiting and developing are concerned about product quality, productivity, and competitive advantage as well as managing a diverse workforce effectively (Sandeep, 2017). Employees with skill deficiencies translate into important losses for the corporation concerning poor quality output, low productivity, and an increase in worker accidents at work and customer complaints. Since a growing number of jobs will require more education and higher levels of language than current ones. Therefore, international resource management practitioners and experts will have to communicate these changes to their educators and community leaders. Hence, organizational managers will have to weigh the current skills of the employees to provide training and development programmes to deliver quality jobs to customers.
- **Corporate Downsizing:** Corporate downsizing has become part of organizational life. Downsizing is not restricted to a particular organization but has become widespread in what organizational managers practice. Downsizing is seen as a corporate strategy to cut costs, organization redesign, or systemic strategies (Shalini&Umesh, 2019). Moreso, corporate downsizing is the permanent reduction of a company's labour force by removing unproductive employees or divisions. Corporate downsizing consists of a set of actions designed to improve the performance, efficiency, productivity, and competitiveness of multinational corporations. It also represents the strategies that affect the labour force in that organization, and work processes (Saeed, 2020).
- **Re-engineering Work Processes for Improved Productivity:** The concept of re-engineering work processes for improved productivity can be traced back to the early nineteenth century when Fredrick W. Taylor suggested in the 1980s that managers could discover the best processes for performing organizational tasks, and reengineering them for optimum productivity (Hari & Singh, 2014). Reengineering business or work processes involves rethinking and radical redesign of business processes to achieve dramatic improvement in business processes in terms of cost, quality, speed, and service delivery. Hence, these work process reengineering will assist organizations to achieve high performance and improve their productivity (Delvin & Benjamin, 2022).
- **Employee Involvement:** Employee involvement has to do with several alternatives such as involvement through trade unions, consultation, and job redesign. Here we shall consider two areas of this involvement. First, organizational managers may want to obtain high commitment from employees, this may involve discussing on a round table to identify the ways and means to follow. Secondly, organizational managers may want to negotiate terms and conditions of employment with employee representatives, these agreements can jointly be reached by both parties to the contract (Anele & Onu, 2020).
- **Technology:** This refers to information and communication technology. This has to do with internet technologists that are acquired and used by business enterprises in conducting business processes (Emeka e. al, 2016). For example, recruitment is done online where

employees submit their application form online. Again most times employees don't even know the location of the company that is recruiting. That is, everything is being done online such as advertising, recruitment test, and interview and even work too is online (Anikeze et. al, 2023). Therefore, as far as modern trends are concerned managers must ensure that they follow the trends to avoid failure in their business process and service delivery.

## **CHALLENGES OF INTERNATIONAL HUMAN RESOURCE MANAGEMENT PRACTICES**

In today's dynamic business environment, multinational corporations face challenges in managing their human resource. These varying challenges have been a true reshaping of business operations and workforce management. While this also brings some benefit to the organization in terms of a cultured workforce, international expansion, and the ability to hire from diverse global talent pools, it also brings about a spectrum of constantly changing human resource issues and challenges and these challenges shall be discussed below:

- i. Maintaining a healthy global company cultures
- ii. Administering fair and ethical policies
- iii. Training and development
- iv. Communication barriers
- v. Recruitment and selection
- vi. Talent retention
- vii. Compensation system and benefits
- viii. Legal regulations

### **Maintaining a healthy global company culture:**

Forming a healthy, global work environment that will encourage a culture of oneness is one of the most important international challenges for human resource professionals to conquer. It may be difficult to motivate employees to reach organizational goals and build genuine connections among different departments since they are from different cultural backgrounds (Valentin & Ivan, 2022). Hence, if the work environment is not addressed before building workers across the globe, the company's efficiency and talent retention rates will suffer significant setbacks. Therefore, to overcome these challenges, managers or human resource professionals should strive to dedicate time to learn building, host annual events for teams to meet, encourage participation, and listen to the needs of their employees

**Administering fair and ethical policies:** Here, when a multinational corporate workplace expands abroad, human resource professionals need to understand the ethics of different cultures around the globe (Goodall & Warner, 1999). As labor laws change from country to country. So also with ethics of various countries will change. Some international ethical issues may involve data protection, privacy, and compensation. These potential international human resource problems can be solved through training. Furthermore, a lack of awareness can damage your

organization's reputation and relations overseas. Hence, it is important to train all employees on international business ethics,

**Training and Development:** Employee training and development are very important to any establishment. No wonder that Robert Owen asserts that “employees are vital machines” or assets to any work organization (Ezeali&Ewulonu, 2011). This means that the achievement of organizational goals depends on the quality of employees within the organization. It is worthy of note that money spent on the training and development of the workers is money well invested. Hence, employees who are trained and developed can carry out the work of the organization differently after the recruitment and selection process has been completed the new employees need some form of training or orientation program to adapt to the organizational methods and system (Emeka et al, 2016). Therefore, intentional human resource professionals need to set up a unified human resource platform that brings all your learning management systems together.

**Communication Barrier:** As multinational corporations expand overseas, new workers will most likely be in a time zone far from where the company is cited and may communicate in another language. Both of these matters can lead to the largest human resource challenges and communication problems. (Emeka et al, 2016). Communication is huge when working domestically or internationally. As the world moves to remote work, employees may not have the chance to meet in person for months. So, creating a human connection may be difficult as well. One way to address this is through a centralized human resource system that can connect employees from all over the globe to promote teamwork and productivity (Sathishbabu&Sripathi, 2021).

**Recruitment and Selection:** Recruitment is viewed as one of the key factors to an organizations growth and success (Tanova, 2003). The profitability and survival of an organization usually depend on the quality of its workers (Wickrama, 2006). Recruitment might be defined as the process of searching for prospective candidates for various posts lying vacant in the firm. Emeka et al (2016), opined that recruitment is the process of attracting job candidates to apply for a vacant positions in organizations. On the other hand, selection is the process of choosing from the pool for application those to be hired by the establishment based on their abilities to meet the required organizational requirements. Therefore, the task of selection is to pick the most appropriate applicants, turn them into candidates, and persuade them in their interest to join the enterprise even in times of high unemployment. This means that recruitment and selection affect an organization growth, progress, and success because when the right person is not employed in the firm, it will affect the overall performance of the firm.

**Talent Retention:** Talent retention is another significant challenge of international human resource management in multinational corporations in terms of recruitment, training, and loss of intellectual capital. Therefore, multinational corporations must provide employees with opportunities for career development, training, and education and establish a clear path for career advancement (Meijer, 2023).

**Compensation System Benefits:** Multinational Corporations often face challenges in developing and implementing compensation and benefits structures that are appropriate and fair across



different countries. Differences in labour laws, tax regulations, and cultural norms can lead to discrepancies in pay and benefits between employees working in different countries. This can lead to employee dissatisfaction and turnover and decreased employee morale and motion (Meijer, 2023).

**Legal Regulations:** Legal regulations are another essential international human resource management in international business. This has to do with business registration to comply with jurisdictional and industrial policies and tax fillings, there can be quite a handful to deal with legally. Therefore, managers or human resource professionals should conduct thorough research before setting up a business/enterprise abroad.

## CONCLUSION

Since international human resource management is managing workers internationally, human resource managers/professionals indeed face more challenges every day. Therefore, multinational corporate managers must find ways to overcome these challenging problems ranging from employee or talent retention cultural issues, managing and coping with workforce diversity, etc. Hence, human resource professionals must find a way to solve all of these problems so that the firm can achieve its pre-determined goals. (Kirti&Ritika, 2017).

## REFERENCES

- Agulanna, E.C, & AUSTIN, C.A (2011). Human resources management: a graphical approach published by career publishers, Owerri, Imo State.
- Anele, C.A &Onu, A. (2020). Labour relation and collective bargaining, published by Kadnat printing press, Oyo State.
- Anikeze, N.H, et.al (2023). Information communication technology (ICT) and organizational Decision making of Federal parastals in Nigeria. *World Journal of advanced research and Reviews*, 18(1), 1061-1071
- Armstrong, M. (2012). *A Hand book of Human Resource Management* (10<sup>th</sup> ED), London
- Bookhence, R. &Asuinura, E.I (2011). The effect of human resource management practices on corporate performance. A study of graphic communication group limited. *International business research*, 4(1), 266-272.
- Brewster et.al (2006). Towards a new model of globalizing HRM. *International Journal of Human resource management*, 16(6), 949-970.
- Brindha, G. (2013). Emerging trends and issues in human resource management. *middle-east journal of scientific research*, 14(12), 1727-1730
- Davinder, D. (2022). Recent trends and challenges of human resource management. *International Journal of science technology and management*, 11(3), 1-8 ISSN:2394-1537.

- Elaine, F. et.al (2019). Facing complexity, crisis, and risk: opportunities and challenges of International human resource management. *Thunderbird international business Review*, 61 (3), 465-470
- Emekaet.al (2016). *Organizational behavior: Towards understanding human behavior in organization*. Published by book point educational, Ltd, Onisha.
- Ezeali, B., &Ewulonu, U. (2017) *office management and organizations: theories and applications*, published by chambers Book, Ltd, Onitsha.
- Goodall, K. & Warner, M (1999). Enterprise reform, labour management relations, and human resource management in a multinational context. *Journal of international studies management and organization*.
- Kiriti, S., &Ritika, P. (2017). Challenges of Human resource management in borderless world, *International Journal of Engineering Research & technology (IJERT)*, 5 (11), 1-7. ISSN:2278-0181
- Madhu, V.et.al (2017). Emerging trends in human resource management. *Internal conference on contemporary issues in commerce, management & IT*, 5(1), 250-254.
- Menaka, R. (2016). New dimension of management in the globalized era- with special reference to Human Resource management. *International conference on “innovative management practice”* organize by SVCET,1(1), 2395-4396
- Michael, S.C (2013). An exploration into the challenges facing practitioners of international human resource management: a literature review. *International journal of business and social science*, 4(6), 21-27.
- Mohd, S.A, et.al (2014). The concept of dimension in human resource management from Islamic management perspective. *Middle –East Journal of scientific Research* 20(9), 1175-1182- ISSN:1990-9233.
- Sandeep, K. (2017). Recent trends in human resource management. *International journal of advance research in science and engineering*, 6(1), 89-94. ISSN:2319-8346.
- Sathishbabu, A., &Sripathi, K (2021). Trends and challenges in Human Resource management. *International Journal of trends and challenges in human resource management*, 1-8. Doi:10.6084/m9.figshare.13604843.
- Sirinsha, B. (2007). *A lecture note on international human resource management*. Institute of technology and management, 1-92.
- Valentine, V., & Ivan, E. (2022). Challenges for human resources management and development. new expectations, key changes and goods practices, 1-15 Retrieved from:<https://www.researchgae-net/publication/361733896>.