

Essay: Importance of IHRM

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## **Introduction:**

In the existing business environment, globalization has become an integral aspect of business practices undertaken by business organization. In the contemporary business environment, business has crossed the limits of borders of nation. In this environment, there are a number of different management related concepts, which have been emerged. IHRM is one of the most rapidly growing concepts in global business environment. IHRM simply refers to the international human resource management, which implies managing employees from different culture and backgrounds. Nowadays, where business organizations are adopting business expansion strategies rapidly, the importance of IHRM has been enhanced significantly (Stahl, and Bjorkman 2006). In this context, the essay talks about the significance of the international human resources management for an international business organization.

## **Significance of IHRM:**

IHRM practices are employed by an organization for managing their employees from different cultural background in a multinational business organization. In the era of globalization, organizations avail a vast pool of employees from different nationalities, cultures and backgrounds. The working styles, norms, perception of different people from different cultures are quite different from each other. In this situation, for the success of a multinational business organization, it is quite essential for the organization to manage this cultural diversity in their workforce. In this context, the role of IHRM becomes quite vital (Harzing and Ruysseveldt 2004).

Different practices related with IHRM allow the management to understand and fulfill the needs of different employees from different nationalities. By doing so, the management can make their employees from different backgrounds happy, which enhances their efficiency and productivity.

Along with this, IHRM is a sustainable and strategic approach undertaken by the business organization towards the management. IHRM allows the management to employ its global business expansion strategy in the most effective manner. With the help of different measures related with IHRM, the management can resolve different issues related with their internal business environment while commencing a new business in a new geographical area (Harzing and Ruysseveldt 2004).

In addition to this, in today's global business environment in which employees from different backgrounds work together for attaining a common objective, occurrence of conflicts is a quite natural phenomenon. Such type of conflicts can cast a negative impact over productivity, efficiency, effectiveness and commitment of the organization towards its customers and other stakeholders. For the purpose of being successful and sustainable in the new market, the management needs to prevent the occurrence of such conflict related issues within the organization. In this regards, IHRM can be taken as one of most crucial measures for addressing conflicts due to cultural differences among employees (Briscoe, Schuler and Claus 2008).

In relation to this, IHRM also helps the organization to avail the maximum advantage of the cultural diversity in their workforce. Diversity can be proved quite vital for the organization as it provides a wide scope for the development of skills of an employee. Cultural diversity within the workforce of an organization enhances the learning and knowledge level of

employees. IHRM provides a strong and feasible platform on which the management can manage the diversity in the manner that the advantages of the diversity can be enhanced and disadvantages can be suppressed effectively (Briscoe, Schuler and Claus 2008).

**Conclusion:**

As the global business activities are increasing at a rapid pace, the importance of different management related concepts that can support such global activities has also enhanced significantly. In this concern, the paper has shed light over the significance of the concept of IHRM in the context of modern global business organization. On the basis of the discussion made in the paper, it can be revealed that IHRM has become an integral part of business organization operating at global level, which helps the organization to be sustainable and successful in the present business environment.

## References

Briscoe, D.R., Schuler, R.S. and Claus. L.M. (2008). *International Human Resource Management*. 3<sup>rd</sup> Ed. Taylor & Francis.

Harzing, A, and Ruysseveldt, J.V. (2004). *International human resource management*. 2<sup>nd</sup> Ed. SAGE.

Stahl, G.K. and Bjorkman, I. (2006). *Handbook of research in international human resource management*. Edward Elgar Publishing.

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