
Empirical Analysis for Understanding the Implications of Changing Geo- Politics Influence on Human Resource Management

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Abstract: Organizations are finding it difficult to deal with the dynamically adverse circumstances as a result of recent geopolitical battles, which are also killing nations. Globally operating Multinational Corporations (MNCs) and their human resources are immediately impacted by the current political climate on a worldwide scale. Any company's HR division is forced off a cliff by the uncertainties of a political crisis. Human resources departments must exercise extra caution while hiring and overseeing one of the most expensive corporate resources—the workforce—in nations with high levels of political unpredictability. It has been attempted to look into this matter using secondary sources of information. The paper's main findings are: MNCs face security risks when managing personnel in nations with significant security hazards like terrorism, inadequate research about Lack of sufficient hardship allowances at the host location prior to launching a subsidiary.

Key Words: Legal-Political Systems, Terrorism, Multinational Corporation, Human Resource Management

I. Problem Description

It is expected that all employees and employers will work together in harmony to speed up the pace of the organization as it pursues its objectives. But what we observe today is disturbing in addition to being different. In addition to destroying nations, the recent geopolitical conflicts are also making it difficult for companies to deal with the unpredictable environment. Globally operating Multinational Corporations (MNCs) and their human resources are immediately impacted by the current political climate on a worldwide scale. The effects of this modern man-made phenomenon must be acknowledged, and strategies must be developed to lessen the harm it is doing to the human resources of multinational corporations.

II. Principal Research Issue

There are some difficulties in managing human resources in other cultures, economies, and legal systems. For local businesses, political unrest has long been a problem. Any company's HR division is forced off a cliff by the uncertainties of a political crisis. Human resources departments must exercise extra caution while hiring and overseeing one of the most expensive corporate resources—the workforce—in nations with high levels of political unpredictability.

In order to determine if there is or is not a relationship between the global political crisis and human resource management, I shall first try to do so in this essay.

Second, I'll look into whether the current political climate has an impact on MNCs that have a global presence. And if so, "How?"

III. Justification for Picking the Topic

The primary drivers of a company's success or failure are the people that work there. In addition to being a company's asset, a well-designed human resource serves as a representative of its standards, principles, culture, and ethics. One of the key determinants of an organization's long- and short-term sustainability is its human resources, or the people who work there.



None of us have a hard time accepting the idea that our environment is more unstable than the chemical characteristics of radium. We can only find the peace we seek by robbing others of it. The number of terrorist organizations is constantly increasing. Governments are being overthrown by the people, yet the people are fighting back to maintain control. These are becoming a pretty common representation of the world we live in. Right now, political instability is a tiny bit of the air we need to breathe to survive.

The purpose of this study is to determine how the recent political instability has affected multinational corporations (MNCs). The results of this investigation will aid in identifying the impacts' (if any) causes and propose additional courses of action to lessen their effects. People who work for MNCs or are interested in working for MNCs or abroad can profit from the findings.

IV. Literature Review

There are several difficulties in managing human resources in various cultures, economies, and legal-political systems. However, the political and judicial institutions are unstable in many other countries. Military coups are frequently used to remove some regimes.

Others are run by regulators and activists who use their power to force different companies to buy from companies in countries owned or controlled by the monarch or the Rule family.

Corruption is bad in some parts of the world as there is only one government, but in other places there are many political parties and the government changes frequently.

.Additionally, the nature and stability of legal regimes differ, and corporate contracts may become void due to internal political factors.

Many businesses, especially MNCs, are forced to manage staff in nations that present serious security hazards. Terrorism (Suder 2004) is one such risk that has an impact on enterprises both directly and indirectly (Czinkota, Knight, Liesch, and Steen2010).

Direct effects include loss of customers, production shutdowns and supply chain disruptions, while indirect effects include business damage and theft or killing of people (Liou and Lin 2008). As a result, expatriates become less interested in working abroad.

Organizations around the world, which is a very important step to be taken in the world economy caused by the global crisis, are forced to restructure their human resources. A few European countries' demographics have changed as a result of the recent migration crisis. The HR departments of international and multinational businesses would be impacted by these incidences. All of the stakeholders will experience difficulty as a result of layoffs and a decline in wage rates.

The global political crisis and the global economic crisis are directly related to one another because each is the result of the other. Recent international political crises, including the war on terrorism and anti-government protests, ushered in a new era of financial disaster.. The global economy is in turmoil, and the country at war is struggling to absorb the costs of fighting, which are ultimately borne by the organizations that operate on a worldwide scale.

The major international economic institutions and world economic power players began preparing assessments of the global economy in September 2008 and making their plans for action public. World Bank President Bob Zoellick warned on March 21, 2008, predicting that the global economic contraction will rise from 1% to 2%, with three as yet unidentified stimuli currently leading to new outbreaks (Zoellick, 2009). Robert B. Zoellick, "This global crisis requires an international solution, and preventing economic damage in developing countries is essential to international efforts to address this problem.". To create jobs and prevent social and political turmoil, he continued, "We must invest in safety nets, infrastructure and SMEs." (World Bank, 2009)

People's policies and practices differ on many complex issues. In "uncertain environments" such as the current political crisis (Davila and Elvira 2009, p. 181), the rationale for using "good" HRM policies and practices (such as Schuler and Jackson 2005) works differently.

V. Key Points

The statement "External factors are uncontrollable and powerful in people management" declares that external factors have no effect on people management performance. This explains why HRM practices differ between organizations at the national and international level. Because human resources can offer competitive advantage in a highly competitive business environment, human resource management is regarded as one of the critical aspects determining organizational performance (Noe et al., 2012). The environment that HR managers work in is rapidly changing, which is the most significant problem that needs to be addressed in this respect. The duties and responsibilities of HR managers as well as HR procedures inside firms are influenced by a number of factors. International economic conditions and technology innovation are the most significant factors that might influence HR practices within firms. Economic, legal, and political conditions, cultural and demographic characteristics are the factors that have an impact on HRM practices at the national level. Traditional and fundamental HR practices are waning in importance in the rapidly evolving company environment driven by external national and international issues (Hassija, 2014). Therefore, HR managers make sure to create HRM strategies in order to address such external concerns. International HRM is one specific illustration of how the effects of globalization are transforming HRM practices (Torrington et al., 2008). Therefore, it is possible to draw the conclusion that HRM dynamics and outside influences are unmanageable. One of the main forces that determine a company's mission and strategy is politics (Singh, 2010). Political and legal considerations are among the elements that have an impact on HR practices, according to Noe et al. (2012).

VI Political influences' effects on HR procedures

Impact of political factors on HR practices

Politics play a role in the hiring process in several nations, like Lebanon. For instance, Lebanon does not limit the selection criterion for candidates who apply for bank jobs to just education and experience. Due to the fact that clientalism is a key HR practice in Lebanon, candidates are also required to obtain recommendations from some politicians (Nakhle, 2011). Furthermore, HR managers must guarantee that these policies are strictly followed in Lebanon because employees are not permitted to discuss politics at work (Nakhle, 2011). Shaw et al. (2013) also looked into how political variables affected MNCs' HR practices in the marketplaces of Singapore and Hong Kong.

According to Kokkaew & Koompai (2012), political issues have impacted HR practices in Thailand as well. They added that government regulations in every nation present challenges and hazards to HR experts. For instance, Thailand's government has set a very high minimum wage, which has put HR managers under pressure to deal with the issue because it has driven up labor costs for businesses (Kokkaew & Koompai, 2012).

In most Thai manufacturing companies, labor costs make up the majority of the cost structure (Kokkaew & Koompai, 2012). Tayeb (2005) also developed a model to explain the political flow of HR practices. They discovered that the Singaporean government has been closely observing HR practices while the Hong Kong government has adopted a non-interventionist policy. As a result, HR professionals must ensure that they are adhering to all applicable laws and regulations.

How political crises affect multinational corporations (MNCs)

Researchers have put forth theoretical frameworks and an HRM research agenda in response to the effects of terrorism on multinational corporations (MNCs).

Theoretically, according to Price, McGrathChamp, and Liu (2013), the role of the valuesmanager in human resource management (Welch and Welch 2012) includes discussion of issues such as safety and security in emergencies. Terrorism is also referred to as a "crisis," which presents difficulties for local businesses and MNCs in terms of maintaining employee well-being (see, for example, Leguizamon, Ickis, and Ogliastri 2009). This shows that HR has a strategic role to play in managing employees in the context of terrorism that goes above and beyond traditional HR functions, such as "expatriate compensation" (Fee et al., 2013, p. 256). Transnational corporations in Latin America were also found to finance illegal businesses. US-based company Chiquita Brands admitted to paying Colombian paramilitary groups to protect their leaders and banana plantations (Maurer 2009). These studies seem to show that businesses often follow the needs of criminal groups, which may indicate their involvement in criminal activities such as paying for protection. According to Davila and Elvira (2012), the Colombian subsidiary of CocaCola FEMSA "provides emergency

cell phones, commuting, safe accommodation, etc. to protect workers" (p. 489). FEMSA, a Mexican multinational and Latin America's largest beverage company, identified 88 "crisis" companies in response to conflict, violence, poverty and natural disasters: Leguizamon, Ickis, and Ogliastri (2009). Grupo San Nicolás, a pharmaceutical company in El Salvador, offered its workers flexible working hours and private transportation between work and shelter at night during the country's civil war in the 1980s. According to Leguizamon et al. (2009, p. 89), these practices awaken the employees' awareness that 'this is a family and we all feel we are part of this family'.

VII Key Findings

So from this discussion, we see two events in the current findings. First, Businesses in the area affected by violence, crime and/or criminal activity, at the request of criminals, for example by paying them. Second, the development of workers through businesses and human resource management important in society has changed their policies and practices to deal with violent situations by giving communities and workers the necessary knowledge and resources specific to this environment. There is growing understanding that HRM may give the company a competitive edge. Before establishing operations in a foreign country, HR specialists must do a thorough analysis of the political climate and employment-related regulations.

It is important to have clear human resources policies for employment, training and development, performance appraisal, compensation, safety and health, as well as for employees to overcome the challenges of working in a foreign country.

Employees of various companies sometimes have to work in places without political conditions (such as Afghanistan, Pakistan, Libya, etc.). That's why they don't want to go abroad. Finally, we may state that there is a



connection between human resource management and the global political crisis. Theoretical and practical applications of policy

According to the aforementioned reasons, businesses that experience terrorism in regions where fundamental legal norms are absent should take on a more strategic role in society (Dietz, Robinson, Folger, Baron, and Schulz 2003, for example). They accomplish this by putting into practice HRM procedures and policies that are suitable for such settings.

Davila and Elvira (2012), "The role of human rights management is important where state and local organizations fail to respect or protect inheritance rights and show solidarity with workers in times of great difficulty beyond their capacity to demand it." According to Leguizamon et al. (2009, p. 94), the HRM department may use policies and procedures in these situations to convey to staff members that they are "at the center of the business strategy".

Candidates should have a workplace preview so they can make a real decision about their job, especially in a foreign country. The failure rate when executives are sent abroad is alarmingly high. Poor or improper selection processes and insufficient orientation programs are the main causes of the mismatch between executives and foreign subsidiaries. Employers should emphasize psychological testing during the hiring process to learn more about the candidates' and workers' mental fortitude. In the international selection process, individuals with emotional maturity and stability will be given preference. People who come from expatriate families may have the highest prospects of fitting in abroad.

The culture, language, regional norms, political climate, expectations, and specifics of the task must all be discussed during the orientation and training session. Rewards could be offered, especially for jobs in unfavorable places with unstable political climates. The MNC's overseas employees may receive additional compensation to help with the additional expenses of raising children, traveling back home, and paying for staff.

Company car, chauffeur, club member, accommodation and other benefits to managers of different countries are the benefits provided to foreign employees of these companies.

VIII. Conclusion

Numerous developments in global politics have contributed to the shaping of our society. Politics has consistently played a major role in fostering a culture that is civilized and organized. Politics is powerful and significant. But it's also true that this magnificent tool can get into difficulty if it's employed to subjugate, torture, or exterminate entire societies and their inhabitants.

While it is true and well established that political crises have financial consequences that can be calculated, the humanitarian costs incurred by wars and conflicts are incalculable. Violence is not what society needs; politicians must take the initiative in reshaping the world for a more prosperous and humane future. It has been determined that because the company' external environment is changing quickly, HR experts must prepare to meet the shifting demands. It is also stated that external circumstances, such as political unrest around the world, are uncontrollable and have a significant impact on MNC employees. These factors not only have an impact on business performance but also drive HR professionals to redesign their HR procedures in order to address problems brought on by the impact of external business factors. These outside variables include those related to the economy, the law, demographics, culture, politics, and technology. With the passage of time, all of the aforementioned elements have changed, and HR strategies are now more effective at delivering value to the firm by altering the system of recruiting and recruitment, training and development, compensation & other benefits.



From the above, I can conclude that the statement at the beginning of this research is true, because the global political crisis has affected the HR practices of many companies around the world and this is also uncontrollable.

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