ENGAGING AND INTEGRATING A GLOBAL WORKFORCE:

Five Key Trends from SHRM’s Special Expertise Panels
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Engaging and Integrating a Global Workforce: Five Key Trends from SHRM’s Special Expertise Panels

In 2015, the SHRM Foundation released a new report in partnership with the Economist Intelligence Unit (EIU) titled *Engaging and Integrating a Global Workforce*. The report details how trends such as the globalization of business, increasing cultural diversity and changing patterns of mobility will continue to transform the workplace. But what does this mean for you and your organization?

To find out, we worked with the SHRM expert panels to analyze the report and select the top challenges and opportunities identified for HR:

2. New ways of working: Virtual teams.
5. Corporate social responsibility.

Next, panel members developed specific recommendations to help organizations prepare for these changes. Their suggestions are compiled in this report. We encourage you to review this information, share it with your leadership team and begin preparing now to operate effectively in the evolving global talent marketplace.

To learn more about this project and to read the full EIU report, please visit the SHRM Foundation digital hub at shrmfoundation.org/shapingthefuture.
**1. GLOBAL INTERDEPENDENCE**

**MACRO TREND**

Organizations around the world are becoming more globally interdependent. Globalization has increasingly bound economies together through more efficient infrastructure networks and trade links. With access to a global labor market, companies can now diversify business across locations and time zones to protect against one sector failing. However, this also creates added risk. Negative local events—whether economic, political or societal, such as natural disasters or the Greek debt crisis—now have far-reaching consequences for organizations and economies around the globe.

**EXPECTED CHANGES**

- Multinational companies may counter global risks by becoming too diversified to fail. If one market or line of business is negatively affected, it can be offset by other parts of the business.
- Businesses will continue to seek new opportunities in emerging economies.
- Labor migration between countries and from rural to urban areas within countries will increase.

**HOW HR CAN PREPARE**

- Understand the goals and objectives of your business strategy, including a clear understanding of supply chain operations.
- Develop a common understanding and definition of ethics, confidentiality and security across all business locations. These terms often have different meanings in different parts of the world.
- Assess likely political, economic and regulatory risks (e.g., trade sanctions, political instability) in each market and ensure the organization develops a global business continuity plan to address those conditions.
- When entering a new market, provide leaders with strategic insight on human capital opportunities and risks they may encounter.
- Evaluate the technology and tools used globally in your organization and look for ways to integrate them. Find experienced vendors who can help.
• Learn to be technology-savvy. HR should have the ability to effectively gather and analyze data to support the organization.

• Connect with HR professionals in other countries to learn how HR is practiced in other regions.

• Develop a thorough understanding of the skills and talents of your employees and identify ways to track and access that information for staff planning purposes.

• Understand that the speed/pace of business will be different in many countries. Incorporate these variables into your planning when you create project timelines involving global workers.

• To develop a truly global organization, seek to make international assignments a prerequisite for senior leadership positions. Include individuals who speak multiple languages and have global experience in your HR department.
MACRO TREND

The workforce is becoming more global, and more work is getting done via global, virtual teams. Co-workers may be spread across multiple countries, and even workers in the same country will increasingly be telecommuting rather than going to an office each day. Recent data show that 50 percent of the U.S. workforce holds a job that is compatible with at least partial telework and approximately 20-25 percent of the workforce teleworks at some frequency.¹ With new technologies, employees can communicate with colleagues even when working from remote locations, and teams can collaborate across national borders and time zones. Increased global connectivity also means that workers can move around more frequently and might choose to migrate for both permanent and temporary jobs. Country of origin and ethnicity no longer dictate a worker’s geographical scope.

EXPECTED CHANGES

- More work will get done in multicultural, virtual teams. A 2010 survey of randomly selected employees at multinational corporations found that 64 percent were involved in a virtual work team, and this group reported that on average 52 percent of team members were based outside the company’s home country. Companies will increasingly use remote and temporary workers based in multiple countries or regions.

- As the workforce becomes more global, the profile of the average global worker will continue to change. Tomorrow’s U.S. workforce is likely to be older, more gender and ethnically diverse, and more interconnected through technology. In other parts of the world, such as emerging markets, the workforce will be much younger.

HOW HR CAN PREPARE

- Offer training for workers on how to work effectively in virtual teams.

- Provide opportunities for virtual team members to meet in person before beginning a project. Research shows that this helps the team function more effectively.

- Develop programs and adapt technology to foster continuous interaction among globally dispersed workers.

- Train managers to enhance team productivity by setting clear expectations for virtual team members and identifying who is responsible for each task.

- Evaluate your workplace flexibility policies to be sure they are consistent and can facilitate remote work across locations.

- Help virtual teams develop effective communication strategies. For example, teams should set a regular schedule for check-in calls or chats. To avoid misunderstandings, they should develop guidelines for when to use e-mail vs. phone vs. instant messaging.
• Hire leaders with a global mindset, who will value and leverage the skills of all team members, regardless of their nationality.
• Provide web-based, on-demand onboarding to educate remote and temporary workers on company culture, norms and expectations.
• Develop a strategy to ensure high levels of engagement and adherence to corporate values for temporary and contingent workers.
• Carefully monitor how contract and temporary staff are working to ensure they cannot be categorized as de facto employees.
• Create systems and procedures to ensure important company knowledge is retained as contingent workers come and go.

• Instead of relying on the immigration process (H-1B), consider working with specialized talent remotely. If you equip remote workers with the right technology, they can often work effectively from their home countries.


A VIRTUAL TEAM IS DEFINED AS A GROUP THAT INTERACTS PRIMARILY THROUGH ELECTRONIC COMMUNICATIONS AND IS OFTEN GEOGRAPHICALLY DISPERSED.
3. MANAGING TALENT ACROSS BORDERS

MACRO TREND

Increased globalization is creating a global talent market. Trade liberalization and technological advancements have encouraged companies to expand internationally and trade their products and services on a global scale. The world’s largest companies are growing across borders, and many now have greater operations and more employees outside their home country than they do in their country of origin. For example, though General Electric (GE) was founded in the U.S. in the late 1800s, by 2013 more than half of GE’s 300,000 employees were based outside the United States. Businesses can now target the best talent around the world, and business leaders must work across cultures to manage employees and contractors in multiple countries and regions.

EXPECTED CHANGES

- In sectors where demand for skilled workers exceeds the labor supply, companies will increasingly look outside their borders for new talent, creating incentives for cross-border migration, as well as increased use of temporary and remote workers.
- Emerging economies will continue to evolve and move from unskilled to skilled labor. For example, wages in China’s manufacturing sector have risen by 71 percent since 2008. China and other developing countries will continue to move into high-value-added, high-technology manufacturing. Companies will relocate low-cost manufacturing to other countries.
- Cities will continue to evolve as centers of population. In the space of just 10 years, from 2000-2010, the percentage of Chinese population living in cities increased from one-third to one-half.
- The number of university-educated workers in the developing world (e.g., East Asia, Latin America and North Africa) is increasing significantly, and many educated workers are seeking better opportunities outside their home countries.
HOW HR CAN PREPARE

• Evaluate HR policies and programs to determine which should be applied globally and which should be adapted to each local market.
• Be prepared to learn and understand local laws and customs to remain legally compliant in each market where your organization operates.
• Create effective audit mechanisms to ensure compliance with local laws in each location.
• Learn and understand how differing privacy laws may affect your handling of employee data in various countries.
• Work with management to develop a holistic approach that embeds cultural leadership capabilities in the organization while also ensuring that the workforce appreciates and leverages cultural differences among employees.
• Identify the training needs of the local environment and create a regional training strategy.
• Develop authentic employment brands that will attract and engage employees in multiple countries.
• Define what top talent looks like in each country, then develop and promote your employer brand to attract that talent.
• Learn and stay up to date on U.S. visa and immigration laws.*
• Build a strong talent pipeline and learn how to source local talent in each region. Cultivate relationships with local universities and staffing agencies to assist with recruiting.
• Learn and train managers on how to recognize and assess the qualifications, competencies and KSAs of talent in other countries.
• Hire local leaders and talent who can help you understand the unique environment and cultural nuances of the workers in each market.
• Offer career progression and create succession plans that include employees from multiple countries.
• Prepare employees for successful expatriate assignments by providing services such as a host-country mentor, free language lessons, family assistance and cross-cultural training.
• Identify and prepare for potential obstacles to the free flow of global talent—for example, regulations prevent companies from hiring talent in China to work in Taiwan.

3 National Bureau of Statistics.
4 Economist Intelligence Unit data.

*Visit the Council for Global Immigration at cfgi.org for more information.
4. BALANCING CULTURAL DIFFERENCES

MACRO TRENDS

With new technologies and easier travel, even small companies will be increasingly likely to have a diverse, multicultural workforce. Culture encompasses a wide spectrum of behaviors—from how we communicate to how we get our work done. It can refer to the style and ethos of an organization, national customs and foods, or even the latest trends in fashion, movies and music. Culture subconsciously guides behavior and thoughts and thus influences just about everything that happens in an organization. Every individual comes to work with a distinct national and family culture, and each workplace has its own corporate culture. If not managed correctly, this mix of multiple employee and organizational cultures may lead to conflict.

EXPECTED CHANGES

• The U.S. is becoming increasingly diverse; the U.S. Census Bureau now projects that by 2045 Caucasians will be in the minority, representing less than 50 percent of the U.S. population.
• More companies are expanding operations outside their home country.
• Many corporate mergers and acquisitions (M&As) will struggle and even fail unless cultural issues between the two organizations are addressed proactively.

HOW HR CAN PREPARE

• Clearly define your organization’s culture and core values. Be very intentional about educating your workforce on the shared company culture. Then provide flexibility in the specific tactics to implement that vision in different countries.
• Take time to learn and understand the local culture when entering a new market. Find out about different benefits structures and what employee benefits are most important for fostering engagement in each country.
• Gain management’s trust by demonstrating a thorough understanding of both the organization’s culture and the local cultures for the countries in which your business operates.
• Research and benchmark with other experienced organizations to gain knowledge and “lessons learned” when entering a new country.
• Accept that a culturally diverse organization
has more opportunities but less control due to the variety of individual interpretations and expectations.

- Develop tools for employee engagement based on cultural dimensions.
- Identify and recognize your cultural ambassadors—employees who love the company and its core purpose. They will help share your culture and values with other workers.
- Assess and develop cultural competence and intelligence in your leaders and workforce. Provide training in cultural sensitivity and customs to help eliminate cultural biases.*
- Clearly communicate the organization’s expectations around diversity and inclusion, such as the importance of providing religious accommodations for workers.
- Develop cultural integration/assimilation plans to increase the likelihood of M&A success.
- Implement and support inclusive employee resource groups (ERGs) for interested employees (e.g., women, expats, people in a certain racial or ethnic group, or sexual orientation). Allow anyone interested in learning about that group’s culture to join. ERGs can help educate other employees on the unique issues to consider when interacting with group members.
- Develop and promote leaders from outside the organization’s home country. Their insights and understanding of other cultures will bring a valuable perspective to the leadership team.
- Use metrics to compare results in different regions, look for trends, and analyze effectiveness of training and other programs.

*For more information, see Cultural Intelligence: The Essential Intelligence for the 21st Century at shrmfoundation.org
5. CORPORATE SOCIAL RESPONSIBILITY

MACRO TREND

As globalization increases and firms operate internationally, they are exposed to higher levels of operational risk. For example, labor rights violations or corruption among overseas partners and suppliers can reflect negatively on an organization. Many companies are taking a proactive approach to mitigating these risks. As part of that strategy, they are increasing local community engagement and committing to greater corporate social responsibility (CSR) and sustainability. This approach is often referred to as “the triple bottom line,” the simultaneous delivery of positive results for people, planet and profit.

EXPECTED CHANGES

• More and more organizations will make a public commitment to sustainability. The United Nations Global Compact encourages firms to make the commitment to align strategies and operations with universal principles on human rights, labor, environment and anticorruption, and take actions that advance societal goals. The 2011 UN Global Compact report states that more than 8,000 companies joined since 2000, with more than half submitting corporate disclosure reports during the latest annual review.5

• Job seekers—especially Millennials—will increasingly evaluate a company’s social impact when deciding where to work. A 2014 survey noted that graduating students would take a 15 percent pay cut to work for an organization that was committed to corporate and environmental responsibility (71 percent) or work in a job that had a positive social or environmental impact (83 percent).6

• As companies expand into new markets across the globe, they will be challenged to deal in an ethical fashion with corruption and lack of accountability among public officials in less developed countries.

HOW HR CAN PREPARE

• Take the lead by learning what CSR entails and encouraging your organization to make social responsibility a core part of the organization’s values.

• Develop HR-related CSR domain expertise (e.g., treatment of employees, human rights, labor standards, community engagement).

• Help set the agenda for CSR initiatives by identifying priorities, educating leaders and employees, and motivating them to incorporate CSR into their work.

• Build a social impact message into your employer branding to attract socially conscious job seekers.

• Ensure that the organization’s internal culture is aligned with its external CSR initiatives.

• Support and openly demonstrate tangible CSR activities in which employees can participate.

• Conduct a human rights assessment of the organization.

• Build a fair compensation plan for each market where the business operates.
• Set and enforce policies for the fair and equal treatment of all workers.
• As companies move into emerging markets, help prepare and educate employees on ethical behavior and the possible risks of corruption.
• Get involved in advocacy to help influence governments to support socially responsible policies and regulations.
• Enhance your company’s brand awareness and positive image while also creating social good by supporting causes that align with your mission. For example, a soda company that uses a lot of water in its production might support efforts to provide clean water to local residents near its plant in India.

• Create opportunities for employees to volunteer in their communities.
• Consider regionalizing the selection of social causes to support. Let each office/region select a cause that is meaningful and inspiring to employees in that local community.


*For more information, see HRM’s Role in Corporate Social and Environmental Sustainability at shrmfoundation.org
Many organizations now have multicultural workforces whether inside the U.S. or spread around the globe. Leaders are struggling to balance their employees’ societal cultures with the corporate culture. And the increased use of remote and temporary workers creates added management challenges.

Learn more about these and other trends in the SHRM Foundation/EIU report Engaging and Integrating a Global Workforce. Visit our digital hub to view additional content, including infographics, videos and more to help you explore and understand the changes affecting the world of work.

The SHRM Foundation can help you prepare.

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