

# HUMAN RESOURCE MANAGEMENT PRACTICES TRANSFER IN MULTINATIONAL INDIAN COMPANIES IN BANGKOK

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**Abstract:** *This article deals with the transfer of human resource management (HRM) practices by multinational companies (MNCs) to overseas subsidiaries. By studying the factors that come from the cultural and institutional framework of the host country that affects this transfer Using information gathered from MNC's subsidiaries located in many countries and different in local culture, we examine the level of HRM practices in MNC's subsidiaries that are similar to local practices. Empirical studies have been done on subsidiaries to adjust their HRM practices at a very low and sometimes level. Although some practices are different especially the practices that are not consistent with the culture of each country, or contrary to the rules of low and high level of transfer, depending on the response and the area Multinational companies in each country cannot clearly determine their direction. And cannot explain accurately enough about the nature of the operation But in reality, multinational companies tend to use various strategies to create appropriate, even if the subsidiaries have the same size, cannot be the same if in different areas of culture.*

**Keyword:** Multinational corporations, human resource management

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## 1. Introduction

The role of import and export of human resource management (HRM) in Asia countries practices in parent multinational companies (MNCs) is critical in understanding international human resource management (Mary Mathew and Harish C. Jain, 2015) HRM practice quality of multinational companies in today's world that is growing and has more advanced technology than in the past decades (Mahajan J.P. & Reeta 2016). All those Human Resources Try to create an ideal With multinational companies Want to create the most fit (Patrick O'Meara, Howard Mehlinger, 2000). Study of past stories Therefore must consider the organizational structure Different places are considered important factors for every company. Many companies that work highly trying to study these stories Most of the parent companies have influence. And control the delivery by playing an important role to the subsidiary Both in determining various levels of work (Gary Rees, Paul Smith 2017) Because in the past few decades Multinational corporations are faced with many additional problems. Both in terms of the competitive environment Stepping into free trade (Franklin R. Root. 1992) Research study To discover new approaches To be like creating a culture Formed In the regional pattern of the world This time (Elvire Meier-Comte. 2012) Foreign investment



has increased, both in companies with many countries from developing countries to meet the needs of consumers.(M. Sornarajah .2010) Human resource development is a policy that many leading companies have to develop to be an important mechanism to step into excellence in order to coordinate and control international operations for efficiency. Highest image (Adam Weintrit, Tomasz Neumann .2016).

This research article can provide academic support. The operation of agencies involved with multinational companies And create a relationship with those in the future to spare their own plans to work in multinational companies to prepare them for future work learning

## **2. Factors affecting management**

When the world entered the era of globalization Business speculation is of interest to those. Merchants, businessmen trying to seek opportunities In each country, there will be differences depending on the investment sector in accordance with the best practice guidelines. In order to meet the effective international management model (Kaushik Basu ,2010) One of the important contents of this article, a multinational corporation is what the parent company, their host country, has served as a policy forward to Local companies compared to their practices similar to parents trying to deliver standards around the world. Multinational corporations: ethnocentric, polycentric, and global. According to those sociology principles, the management of foreign affiliates of transnational corporations may resemble the home country of the MNC (ethnocentric), able to follow the local practices of the host country. (Polycentric) or comply with global standards (PhilipM.Rosenzweig\*andNitinNohria.1994)

In the direction of the world economy now Still has basic characteristics caused by international economic education guidelines (J. Nyilas 1982 )In different business sectors The result is a competition in the production of products. Operational strategy In order for the company to meet its goals Or success On the international stage (P. Stimpson, Al. Farquharson, 2015) Current Multinational companies that have established production bases or operations in foreign countries tend to maintain policies that are consistent with their parent companies in the country Working under pressure to benefit the global coordination company and must work to meet the local differences (United Nations. Economic and Social Commission for Asia and the Pacific.,2001) In that region Because it is considered that stepping into a different work in the country is a challenge that must be faced with creating a new working base. (Margaret Foegen Karsten 2016 )

## **3. Important factors in policy transfer**

The transfer of knowledge that occurred between the agencies from the parent company As in the case of companies from the United States of America. Executive work processes that cover every step By starting from learning And step into the real process of transferring knowledge to advance to use For overseas companies to receive(Diego A. Vazquez-Brust.2014)Literary studies The success stories are considered as a transfer process that is important in the case of studying the context of MNC multinational corporations, because everything is like a sphere. Operating principles IR/HRM (Bengt-Åke Lundvall, K.J. Joseph, Cristina Chaminade, Jan Vang.2009)





The efficient operation of the juristic person holding the water in policy formulation (OECD.2001) Superior policy implementation for better performance results (David E. Hussey .1998) Because of factors in foreign investment, sometimes using high investment funds Working in accordance with the local culture is a challenge because it is like having to use the potential to compete with the high side. Companies that create understanding with the area And embracing the organizational values of work According to human resources Human resource scholars tend to discuss Human resource management policy will be transferred because it is believed that the management of the parent company Is the basis for the management advantage of the subsidiary company Because in each competition with the competition company is important to the success that will occur in the subsidiary Daniel Wintersberger(2017)

Although some things will show significant management fundamentals For the purpose of superior performance In the operation because the culture in the mother country is like trying to adjust the working process of the employees in that local area. To understand and conform Because the transfer is like a challenge (Robert Fitzgerald, Chris Rowley,2016).

Point in the future direction Determining business costs, profits is a factor in operations. Opening an offshore company to make sales and growth, but sometimes the policy adjustment for survival that may affect the employee selection system as a result of the persistence of the state. These incentives, corporate awards, and understanding can enable employees to continue to work for the company. Because it is considered an important factor because the policy transfer is a concept of human resource management The parent company may be a developed country to open multinational companies in developing countries. Sometimes policy transfer is necessary to adjust for consistency in some countries or places. (Anne Tempel, 2001) Transfer process in this section Some companies have proposed a framework that tries to identify differences that sometimes influence factors directly from the transfer. Principles of human resource management In order to set the policy according to the practice guidelines Of multinational companies Systematic review work to the subsidiaries in each country (Seema Sanghi,2017).

Study of human resource management literature Have developed different methods Because going to a foreign company, the mother country may come from the country. Developing or developing And the part of the country to be invested may be Developing or developing In this context, past diversity is often an interesting lesson for future generations of investors. Analytical studies explain social institutions Historical evolution study Of that country How to create a role in different cultures to create stability Is like the main line that will create understanding Local nature Organizational behavior, human behavior, economic structure In the process of human resource management Dawn D. Boyer (2017).

Education in cultural, social institutions, such as before the Second World War, Japan conducted research. (Lance Cole. 2015) Cultural Social institutions in the South East Asia region Before the landing, the Strait of Malaga had conducted a secondary research before pushing the military in the war. Education in all cases Is considered a literary achievement in





the past Because of social and cultural institutions Is like the two main factors in the operation to achieve future success.

#### **4. Transfer of the policy affects social and cultural institutes.**

From the study on the viewpoint of host country including theory, text, research, working variables, the study on unique characteristic of institute, and the study on management model take local influence into consideration and understand the practice of managing oversea employees effectively (Cox, A.2014)<sup>5</sup>

Sometimes MNCs has been planted with the management practice from their headquarters who think in a context of home country environment and therefore reflect in the organization characteristics of such MNCs which has influence in determining the direction internationally. This is a general philosophy which is important for the headquarter to conduct a study on human resource management. Therefore, ethnocentricity and polycentrism are viewed as characteristics of MNCs. For example, Japanese companies tend to believe in ethnicity more than those from Europe. However, international standard of procedures to achieve the company's goals are not different( Anne-WilHarzing, Joris Van Ruysseveldt (2004)<sup>6</sup>. The viewpoint of home country has influence on the investment in host country. Operation according to human resource management policy and in the practice toward MNCs, subsidiaries, and variables include business characteristic which seems to reflect cultural factor and superior social influence by motivation from headquarter and seems to be one of the challenges in human resource management in a company. Designing broad-minded and the best practice in home country and in host countries. Following local culture is sometimes easier than the policy from headquarter depending on rationality.

Sometimes MNCs are prevented from transferring operational practices from home country to new environment maybe through regulations or specifically strict control which may occur in a nationalist host country (Whitley, Richard..1992). Sometimes MNCs use local resources by recruiting personnel who are expert in local culture and marketing in order to prevent any loss resulting from misunderstanding of local thinking (Edwards, G. R. ; Lucas, R. J. ; Johnson, M. R.. 1993). Transfer of human resource management practice is to deal with two countries. It is one of the steps for world economic development. Entering into investment in different countries can link manufacturing process and enhance bilateral learning which leads comparative strength(Elger, T. and Smith, C. 1994)

Investment by MNCs enables us to realize that business operation relies on human resource management. Transfer of business from one place to another makes us aware of strength and weakness of such country.

In economic point of view, local administration is a mechanism to spread out the country's policy. Pursuing capitalism economy in business in other sector since integrated companies that will be successful and will yield good result for all factors. Management style that will lead to achievement in transfer to subsidiaries located in other countries. Home country practice can be applied in a situation where it is more appropriate than to follow the host country practice. Home country can be in power for management and it implies relationship of the company's economic power and the subsidiaries (Olga Tregaskis2013).



## **5. Study of industrial standard level in the country.**

Level of industrial standard in each country is different and the policy of each country in capitalism economy depends on manufacturing and consumption and both factors will keep on going. MNCs will face challenges in different aspects that they have to deal with. Subsidiaries in each country will have to deal with different culture since culture is the most significant factor in relying on local resources. MNCs will use more or less local materials. Learning local culture is most important when working in different environment, trade law, goods warrantee, competition, middlemen, or different types of salesperson (Zahira Hobaya. 2015).

Subsidiaries entering into industrialized world indicate that the world needs interdependence as headquarter needs local assistance for further development of complete manufacturing while sustaining quality and appropriate cost. Supports from headquarter in other aspects for transfer of human resource management practice with an influence of headquarter can assist the company to perform better. For example, European, Japanese, and Korean companies will have different organizational value. The employees will work in a different style, but eventually the result is the highest manufacturing efficiency.

## **6. Significant factors in the operation of MNCs.**

MNCs' most affecting factor on human resource management practice includes international business strategy and management style from past to present that the subsidiaries hold to. First, for international business strategy, building the basis for human resource relation is a significant factor that will guide strategic business management and human resource management. Operating according to policy choices may include human resource problems while comparing to basis of strategic management, finance, production technology. Something in the local area is not perfectly designed to fit the needs, therefore preparation of different factors of the company is continually significant and challenging.

Management heritage from headquarter sometimes is intangible but more precise. Model of management to pursue depends on various aspects including the investor, local price, value, strong cultural belief of social system in that country, internationalization, nationalism, and socialism. This research study demonstrates that high level management's confidence in strategic role believe that in human resource management one needs to make itself like a laboratory in order to search for preciseness in the context since transfer of the practice needs understanding for working in such local environment. After an investment, an effort to understand the size and duration of investment have influence on human resource management policy so that it will match the size of the company.

Body of this article tries to assess the factors having influences on headquarters' culture and the local environment where the subsidiaries are established. Human resource management practice of MNCs has shown us the influence and difference of geographic area, cultural environment of host country, and following of headquarters' policies. From the research, today significant information acquired from learning MNCs context can help preparing employees, officer on duty, and investor to be ready to run the business.



While most foreign firms investing in Thailand were seasoned companies, often industry majors, case Indian company was a newly established firm with a highly decentralized managerial structure. The main owner, the mining investor Indian business, wanted to stay near Thailand and neighborhood capital markets. Some of the company's top officers were located there. It was however politically unacceptable in Thailand to place the entire head office in Bangkok. The managerial functions were therefore split between Bangkok and subsidiary the company's official domicile remained in the latter city MD, Indian company Bangkok (Interview Sathit Kumer).

In business history research, subsidiaries are often neglected. The implicit thinking is often that firms become multinationals by changing the location of some of their activities, retaining key functions at their home base. Scholars tend to assume that subsidiaries merely exploit the ownership advantages of their parent companies. But, as Geoffrey Jones has stated, this view greatly undervalues the importance of subsidiaries as firms, and their significance within multinationals (Jones, 2005a, p. 162).

#### **7. Corporate control and subsidiary Indian company in Bangkok**

While most foreign firms investing in south east Asia were seasoned companies, often industry majors, financial was a newly established firm with a highly decentralized managerial structure. The main owner, the mining investor some Indian japan company, wanted to stay near Bangkok capital markets. Some of the company 'stop officers were located there. It was however politically unacceptable in Bangkok to place the entire head office in Thailand. The managerial functions were therefore split between Bangkok Thailand and India and the company's official domicile remained in the latter city

However, this Business History first India visit organizational pattern did not impede the company's development, quite the contrary; the decentralized model was both cheap and effective. some Indian company of course on its mother company for allocations of funds and for managerial . But the dependency cut both ways. The organizational plant and staff provided the competence that the company's owners and top management lacked. This was not a case where the subsidiary merely exploited the ownership advantages of its parent; it was just as much the other way round. The mother company and the subsidiary were mutually dependent.

It is therefore not very surprising that the subsidiary was given considerable autonomy. It had full operational control over the refining business and administered company relations with India host authorities. The subsidiary 'stop managers also made their voice heard with regard to overall development, the company's investment policy, sales, etc.

#### **8. The multinational subsidiary and the local community in Thailand**

There has not been much systematic research on how multinational companies adapt to – and interact with – host societies and local business systems. case studies TATA or Indorama has documented that India multinationals followed several different strategies in the south east Asia . Tata did much to blend in while Indo-rama basically continued its policy ways of





doing business. If we look at Tata industrial in Bangkok, the Tata motor refinery was organized as a separate company with its own share capital and a board. This was required by Thailand law. The law required that the chairman and the majority of the board members had to be Indian. This article has explored the evolution of a subsidiary, the mutational company in Thailand case Indian company and human resource managements transfer policy

In order to understand the development of subsidiaries one must take the line of business into account. In the TATA industry, vertical integration was necessary. As indo-rama was a newly established business company the mother company not only continued operations in Tata, they were greatly expanded during the 2000 Tata found it planning to transfer and replicate this knowledge and production capacity in Thailand. The mother company thus came to depend on its far-away subsidiary. Aimed to determine and examine empirically HRM practices, the employment of which may help MNCs to overcome knowledge transfer barriers. From the previous research on MNC knowledge transfer it was concluded that among other things MNCs should develop employees' ability and motivation to absorb knowledge, (T.mahamud 2019).

## 9. Conclusion

Human resource management strategy for MNCs is still not precise whether in terms of human resource management, recruitment, motivation, and existence. MNCs in each country are not able to set their precise direction and to explain correctly about the nature of their operation. However, in reality MNCs tend to use different strategies which they think fit as well as various styles of operation which results from interrelationship between various organizations. Human resource management may be sensitive to pressure in adapting with the local though there are some similarities in some local areas. Local influence and headquarter influence are sometimes adjusted. Therefore, the significant thing that needs adjustment is to learn the difference and understand the application of transferred practice so that everything will be utilized in creating the ideas and dynamic change of the organization as well as further creativity.

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**Proceeding:  
International Conference on  
Interdisciplinary, Social Science,  
Business, Technology and Education  
(ISBTEC 2019)**



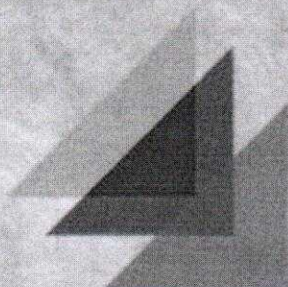
**ISBTEC 2019**

**13 July 2019  
Bayview Beach Resort  
PENANG, Malaysia**

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**Published by:**



**ACADEMIA INDUSTRY NETWORKS (002911676-U)  
SELANGOR, MALAYSIA**

**eISBN: 978-967-16956-1-6**