

## Strategic management changes in the era of globalization and its impact on organizing human resource

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**Abstract:** Taking a careful look at the concept of strategic management indicate us the necessity of applying it. Considering the environmental changes which are accelerated nowadays and the complexity of organizational decision making, the necessity of applying a comprehensive and inclusive plan can be more tangible. It is nothing but a strategic plan. Strategic management based on dynamic, provident, holistic and contingent mentality can be the solutions for many problems of today organizations. However, in the era of rapid changes, the role of government, citizens and organizational groups are rapidly changed, especially the public and private organizations and management systems are rapidly transformed arbitrary or under the pressure. Tantamount of governmental developments, citizens' role can be changed from a mere acceptor to challenger, participatory role, and more active in management. The challenges which are faced by developing nation's government and management are more serious than the industrialized nations. Strategic planning and management is the gravity center of implementation and achieving the developmental goals of the Nations. In Iran, strategic development and management of human resource is a key of designing and implementing development programs and desirable management. To deal with the globalization challenges, managers should be effective managers with high quality.

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### 1. Introduction

Strategy is originally a military term meant to assess your situation and your opponent's position as well as plan to deal with him in the best situation. But gradually the term or military technical phrase has found an important place in political and then economic leadership and management. In a simple sense, strategy is a general approach to achieve the general objective. The term of strategy has been derived from a Greek word of Stratgous that defines exactly as a General in position of military commander. In organization, strategy is a changing pattern of business and social objectives of the company, its existence philosophy, objectives and ends as well as necessary implementing policies to achieve the selected goals. Generally, there are two basic reasons to pay attention to strategic approach in globalization era: the first one referred to the high press on the organization and management by technological changes so that considering the point necessitates the personnel with special kind of skills and abilities. For example, assuming the transformation toward Nanotechnology and replacing the software technology to hardware technology includes the significant point on the required skills for current and future work force in organization. The other one, the substitutability of the different skills and relative variable demand to learn and relearn the current skills and the any encourager aspects of any educational growing plan that should be replaced by sustainable training programs and adopt as a starting point for training strategic planning and integrating training and organizational strategy (McCourt, W and Eldridge, D. (2004). According to observations, in

the present circumstances, organizational managers have committed a logic mistake and assumed high quality human force necessarily synonymous with economic effective demand.

### 1.1. Strategic Management

Today, Strategic Management is considered as one of the most efficient managerial approaches in organizations, especially enterprises by experts and planners. In the current fluid, complex and variable world, the strategic management and planning is a way to help organizations and communities to deal with rapid changes and a model to recognize and solve the issues, identifying the strength and weaknesses as well as optimally use the opportunities and chances or dominate on the weaknesses and threats that endanger the existence of the organization; it is actually the most workable action against the competitive and brutal world. In fact, the strategic planning can help organizations to: 1) Think strategically 2) Develop effective strategies. 3) Identify priorities and take today decisions in the light of future consequences 4) Specify the future course of action and find a rationale basis for decisions making 5) Apply maximum insight and enlightenment 6) Follow the main organizational problems 7) Improve the organizational performance 8) Dealing with the changes suitably 9) Attempt to develop a teamwork, expert and specialized working. Strategic management foundations is based on managers' perception of the competing companies, markets, prices, suppliers of raw materials, distributors, governments, creditors, shareholders, and customers in all over the world which are the

determinant factor for of commercial success in the world today. "Strategic management" and subsequently strategic decision-making are one of the most important tools can be used to gain the success in the future (Howard, Elcock.1996).

### **2.1. Strategic decision making methods Rational-Analytical approach:**

It is a personal decision-making approach with rational and intelligent behavior and thus is conscious, the different aspects of the operation are performed, and the maximum benefit and profit is targeted.

**Sentimental – emotional approach:** this is the function of emotions and judgments. Scientific-behavioral approach: in the approach the impact of decision-making on the individuals should be considered (pressures such as job security - financial position etc...). Combination approach: Since human is a rational and emotional beings, it is necessary to all different aspects of an individual be considered in strategic decision making.

### **3.1. Globalization and Strategic Management:**

In the real world, daily a thousand phenomena with valuable deep meanings may occur, but most people are deprived to discover it. The distinction point between the entrepreneur manager in third millenary and traditional managers who are just attempt to stabilize the current situation is the viewpoint that creates a combination of managerial attitude (proving the current situation) and entrepreneurial attitude (disproving the current situation) to generate a desirable situation for organization to be sensitive to the environment. Two functionality of E-governance and E-human resource management: Governmental organizations let everybody know about the public service information (from the declaration to recruit personnel to assess HR) to inform all parts of the society. Citizens are served effectively and efficiently by government with little and no wasting time, the innovations in management and developing human resource will be controlled and predicted via creativity of circumstance demands. Because of environmental, regional and international uncertainty, creative innovation is considered as a motive power for more innovation to increase the managerial capacity.

### **4.1. Challenges in Globalization and Strategic Management solutions:**

**1.4.1. Capacity building in human resource management:** Dealing with the globalization challenges, capacity building in the areas of organization, management, government and general

management is necessary; innovation is considered as a strategic tool in capacity building.

### **2.4.1. Capacity building in human resource:**

Institutional, organizational, managerial, cultural development and progress in personal skills and capabilities as well as public management system enables government and governmental management to manage not only current challenge but also act beyond it (capacity building is a national and local issue). According to UN development program, capacity building is a process in which individuals, groups, organizations, institutions and associations enhance their capabilities to perform the core functions, solve problems, define and realize the objectives as well as understand the developmental needs and satisfy them.

**3.4.1. Regional capacity building in human resources:** In all economic, social, political and managerial sectors, the highest level of skills and most advanced knowledge should be dominant.

### **4.4.1. Human resources capacity building in international relations:**

It is a set of knowledge and skills to create different strategic human resource capacities from the regional capacity building, in order to satisfy the effective and necessary needs which are imposed by rapid changes of globalization and perform effective role as a nation in the global world.

### **5.1. Methods of strategic human resource capacity building in the era of globalization:**

It is a strategic tool for collecting, processing, data management and strategic decisions to take a decision for planning, recruitment, promotion, evaluation and development of key human resources at all levels. E-governance and E- human resource management make the managers and government to identify their key strategic personnel, train them and provide adequate capacities for different needy organizations. Governments, at first should attempt to identify the positions and strategic tasks, then to prepare and promote the expert personnel, in following the aspects like "applying an appropriate reward system", "Creating a placement and rotating system within the organization", "periodic knowledge and skills upgrading to equip participants with the latest knowledge in the information age" can be used.

**6.1. Management and Strategic knowledge development:** Today, the national and global transformations need to acquire knowledge that is

applied for developing strategic human resource management. Organizational learning is a key area of knowledge development which should be started from the top of pyramid and developed throughout the organization.

**7.1. Cultural innovation and evolution:** The hardest barrier of cultural learning and organizational transformation is cultural disorders. The culture of learning, compatibility and change should be set in organizations. Acquiring moralities (learning behavioral skills and human relations) is the most important task and the most significant role is played by strategic human resources leader.

**8.1. Global Executives:** In the process of globalization, the public organizations are interacting with transnational organizations so need the staffs who think universally. Innovation in managers' management is considered as a key factor for capacity building and its enhancement in globalization era namely serious need to innovation in human resource management and especially managers is necessary for desirable public administration that acts as capacity building to deal with challenges of globalization.

### **9.1. Globalization of Human Resource Management in the Era of Globalization:**

Human resources management involves two very broad fields: personnel management and development tasks. The main purpose is to answer the fundamental questions on the importance of human resources from global viewpoint. International environment is rapidly changing. There is no stable thing. The factors had led to success yesterday may cause to fail tomorrow (Lawrenc Kleiman, e S.2000). Current leaders are assumed to take the additional responsibility to create new managerial models, because many of the basic hypothesis are going to obsolete. International competition and need to have efficient business in transnational area make the organizations and government pay more attention to the global attitude and its consequent cultural changes. Rapid technology changes cause changing in time-dimension. The speed and quality in satisfying global customers' needs largely affect on determining the next winner in trade field. Technological techniques advances in the worldwide are more than other period in human history. In the field of world economic activity, new powerful competitors are emerging (Puick, V. (1992). Global competition conditions are soon influenced by the internationalizing of service companies and greatly cause emerging and

developing multinational technologies. Globalization has noted to the point that cultural differentiation influence the style of management, help the competitive advantages of global companies, although efficient globalization simultaneous to applying management theories may be contradictory theoretically, but lead to find efficient management attitude. Global human resource management provide the suitable organized format for training and managing the staff who are deal with the contradictions in strategic and operational sectors as well as for those who are able to manage diverse culture. Developing and managing a global enterprise may develop the management of employees who are able to think, lead and act globally as well as the ones who have global skills and global mentality. A great deal of executives and professionals are required to build a global organization. The globalization process requires an increasing change of thinking about the role of human resource management tools in the public sector. It is argued that HRM can and must participate in creating competitive strategy of global village.

### **4. Discussions**

One of the consequences of globalization is to increase competition at international level of economy. Because in these conditions, reducing the cost of transportation, wonderful growing in information technology and increasing spread of e-commerce as well as minimizing geographical limitations and growth of competition will be faced as a result of international economy efficiency. Among them, we can say the most important consequence of globalization on countries' economy is e-commerce growth. Globalization as a crashing wave transforms the relations of state and government and has created complex links between cultures and societies. The central influential and influenced element in the situation is paying attention to human elements and components. Acceptance and understanding the cultural affiliation of human resource management practices should be developed more than training materials and the initial resistance should be discarded. Distinguish between cultural legal obligations and trying to avoid the hard decisions is an important test. The prevailing factor tells the differences between what is necessary to be done and how to do it. Also it is necessary to train a new group of HR professionals with global attitude. Experience HR managers are who are familiar with a culture and with a nation in International Affairs are limited more in the situation. This situation must be changed. However, if the employee in the current situation will be lacked of skills and experience, the

structural solutions such as regional settlement of HR or adding global responsibilities to human resources is not appropriate. Given today's turbulent world that is called as a change era, organizations are facing with several challenges in which the important one is human resources. Generally, these challenges are due to changes in the four basic dimensions of technology, structure, strategy and organizational culture. Each of these changes will create new challenges in the field of human resource management. So, learning and training a new generation of HR professionals at international level is considered as one of the main challenges faced by human resource management. In addition, at all governmental level, it is necessary to be aware of necessary changes in educational systems and partnership to provide necessary funds for these changes. Innovation in human resource management is considered as a key tool for capacity building and its promotion in the era of globalization for developing public management, it is necessary and desirable to require human resource management to have innovation that acts as capacity building to meet the challenge of globalization.

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