"THINK GLOBALLY AND ACT LOCALLY":
A NEW MODEL FOR HR

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Starting from the 80's, the process of globalization - in the complex interaction between populations and multinational companies worldwide - has undergone a steady and considerable acceleration. Today, in fact, the concept of globalization can no longer refer only to international activities, such as production and commercial trade. It has a much wider meaning: today everything is global, and even in the smallest activity the global aspect predominates. This phenomena has been supported in great part by the **speed of communication** and the **worldwide circulation of information:** both these aspects were positive and have allowed economic growth in the underdeveloped areas. Nevertheless, these positive aspects have brought about negative aspects as well, which mustn't be underrated, for example the disparity of social status and the risk of loss of identity and of the local dimension.

The word global is often synonymous of homogenisation and nihilism, as if national cultures, lifestyles and consumption become flattened in one dimension within the commercial exchange. Globalization crushes diversity, and it doesn't seem to allow any other logic apart from the unceasing repetition of its own scheme. The word itself is considered ambiguous and contradictory in its own semantic universe, and is oftentimes not correctly used. It is for this reason that the Hebrew-polish sociologist **Zygmunt Bauman**, who has long lived in England, has introduced the word "Glocalization", to adapt the globalization paradigm to local realities, so that their relations with international environments is easier to study.

It is interesting to recall Roland Robertson, British sociologist, theorist of globalization and professor at the University of Aberdeen, Scotland. He affirms that the local and the global cannot exclude each other: the *human global condition* means that, even in everyday life, there

is a global process which is localized and vice versa. This is the sense of the new term/concept of *glocal,* as a continuous dialectic between globalization and localization: **glocalization** is a globalization which limits itself, in other words a globalization which considers localization and adapts to it, rather than ignoring or crushing it .

The glocal approach has been present and perceivable through different forms in many experiences in the last years. Today the glocal approach - with the world economic crisis and the growing uncertainty of the future - seems to have obtained positive reactions, and it has become a possible option and horizon in international policy. Thousands of local institutions (cities, regions, etc.) and functional entities are connecting and cooperating with each other through ICT.

At the center of the glocal philosophy is therefore the individual, the human, without ever losing sight of the dialectic which comes from the encounter/clash of the micro with the macro: on the same level Human Resources find space and development, especially in a well-structured and multiethnic context, as the global one.

The saying which identifies most with the glocal approach is "*Think globally and act locally*". This motto is very important for organizations such as Unilever. Used in the 80's by Akio Morita, president and co-founder of Sony, this phrase gives a different interpretation to the globalization of the market: it is not just a standardization, but a true safeguard of local realities in the global context.

Today a lot of companies work with this philosophy: McDonald's has started to listen closely to its clients, and its **market offer** varies in relation with the tastes of local realities. In 2012 Piaggio & C. S.p.A adapted the Vespa scooter to the Indian market, changing the vehicle structure and making the tires suitable for the roads in India: they even improved its efficiency compared to the European model. Since 1990 Unilever has started to consider the individual local needs of local markets and have consequently adapted their products with great international success.

Therefore it is necessary to think of globalization considering its multidimensionality - its social and cultural variety, as stated by Robertson: glocalization is an economic system that gives value to diversity. **The HR department in a global context has to be the guarantor of the multiethnic component in the organization**. It must safeguard different local culture and assure their perfect interconnection, and consequently its functioning in a global network.

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So it is interesting to talk about all the different tools that there are in HR in a global context (i.e. payroll services, HR temporary management and HR project management), the Diversity Management (DM). By DM we mean a **diversified approach** to the human resources, finalized in creating a working environment able to use the individual potential, and to use it as a strategic incentive to reach the organizational goals. The strategies, policies and projects of DM have served to create awareness, and to recognize, understand and enhance the differences.

Today Diversity Management is crucial in a wider perspective of human resources management. More and more, recent global business tendencies and the growth of a wider ethnic and gender-diverse population into the organizations, is drawing the top of the structure towards cultural management. Giving value to diversity contributes in increasing efficiency, although the connection between diversity management and the improvement of business results is rarely certifiable. A fundamental contribution in highlighting the cultural differences between different countries – emphasizing the important role of DM – was given to us by psychologist and anthropologist Geert Hofstede. He pinpoints six different cultural dimensions in his models: *Power Distance*; *Individualism vs collectivism*; *Masculinity vs Femininity*; *Uncertainty avoidance*; *Long Term vs Short-Term Orientation; Indulgence vs Control*.

Hofstede defines culture as a *collective programming of the mind which distinguishes the members of one group or category of people from others*. He had the good fortune to be working on the most massive source of data then available, consisting of the IBM employees in over 50 countries. The results of his investigations led to the identification of four variables or dimensions, independent from each other: power distance, individualism/collectivism, masculinity/femininity, aversion to uncertainty. Towards the end of the 80s, an independent research on Chinese cultural values conducted by Michael Bond convinced Hofstede to adopt a fifth dimension (**long-term orientation**). This dimension did not appear in its initial investigation because the questionnaires did not include certain values considered important in Eastern cultures, some of which trace back to Confucius. The data, however, was limited to 23 countries. About ten years ago, a fruitful collaboration between Hofstede and Michael Minkov began: starting from the lists of values contained in project WVS (World Values

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Survey), it made possible to arrive to a better definition of this dimension, extending it to 90 countries.

Hofstede (1994) Cultures and Organizations, - The Four Cultural Dimensions
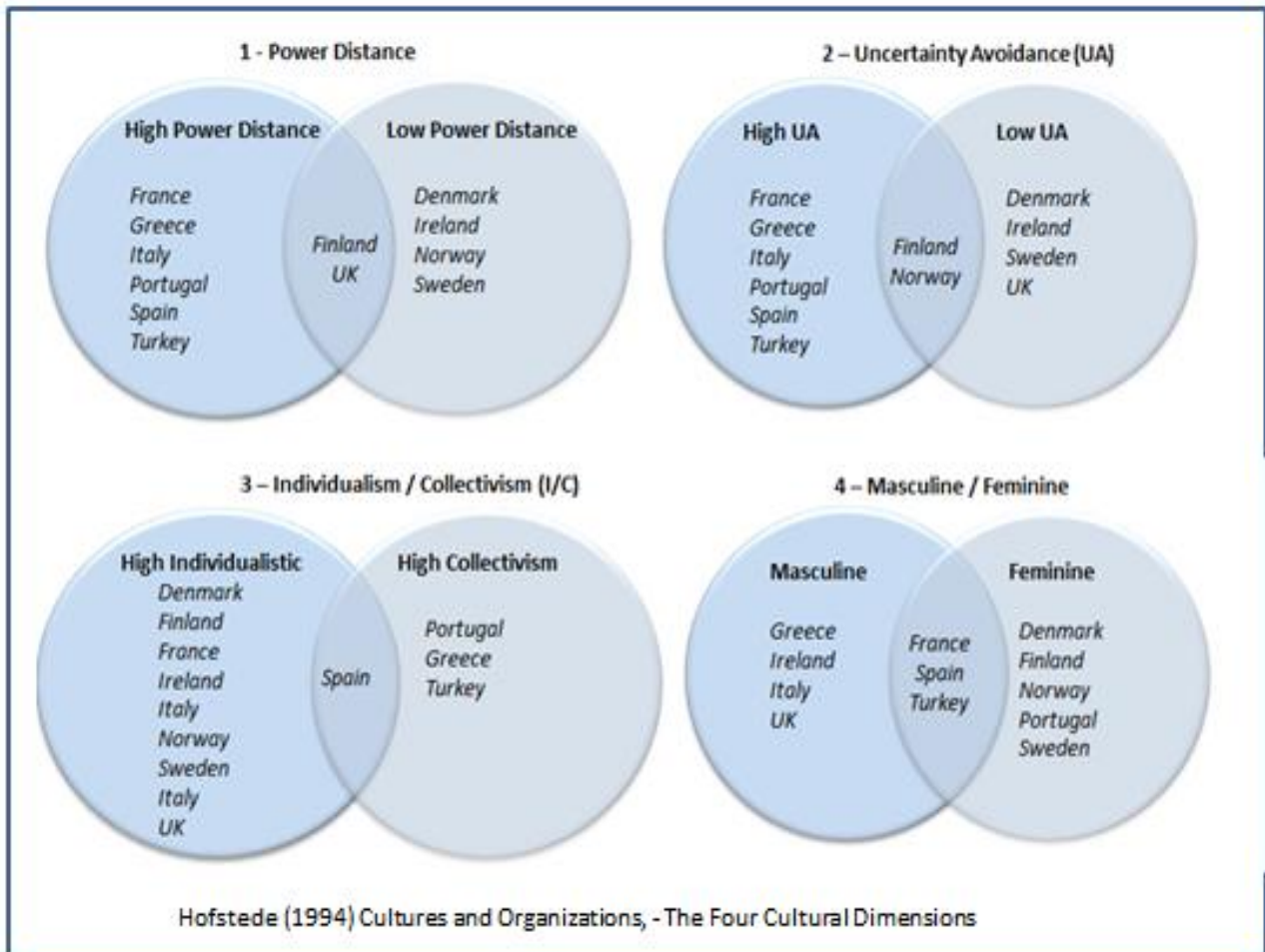
Finally, a sixth dimension was introduced in 2010: **Indulgence vs Control**. Also the result of the work Minkov, this dimension measures the relative "happiness" of a population.

DM started from the fact that the individual in an organization does not only bring with him skills and capacities, but also non-negotiable specific characteristics, such as age, sex, religion, ethnicity, cultural background and sexual orientation. According to how these differences are managed, they can cause hardship or **create value**, so they can bring favorable conditions or create obstacles. Among the significant advantages, some strongly emerge: improvement of the company climate and well-being of the workers, reduction of the costs (turn-over, absenteeism, legal costs), higher capacity to attract and retain qualified personnel, promotion of the company image, improvement of creativity, innovation and group problem solving.

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DM has gradual phases:

1)analysis of the company situation,

2)interest and commitment from the top management of the company (essential to guarantee success),

3)identification of the responsible for the intervention and of the supporting team and services,

4)identification of critical areas based on a diversity audit,

5)definition of the objectives,

6)planning, and finally monitoring.

Following this process, the HR professional takes into consideration different **strategies**, such as safeguarding instead of invalidating cultural models dominating within the organization, promoting a wider redefinition of the organizational practice, or recognizing the differences within a company and its persons and needs.

In conclusion, the HR in a global context must be able to manage diversity in the best way possible: she or he can plan formative interventions aimed to raise awareness on the cultural models and practices within the organization, or take decisions to modify discriminatory practices, or act on the company's language and symbolic apparatus. In a global context, internal and external relational dynamics become multicultural, flexible and open to change.

The modern company doesn't fear the "diverse", instead it enhances it and develops the requirements to create diversity synergy, for the local to embrace the global: *Think globally, act locally!*

"**SHRM Competencies**" is a series of articles **written by the students of the 34th edition of GEMA Master's Degree in Human Resources Management**.

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