

Globalization 4.0 and Work Approach: Case Study of Re-moulding HRM Policy Framework

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Abstract

Globalization 4.0 describes the interdependencies of the world economy, culture and population. The aim of the project was to analyse the impact of Globalization 4.0 throughout the world. The objective of the project was to identify the impact of Globalization 4.0 and dealing with human resource management. The report has positively identified the impact of Globalization 4.0 and the challenges faced by Human resource management. Future concepts of smart manufacturing can be referred to as smart manufacturing and industry 4.0 is characterized by the small decentralized, autonomous acting, network for digital production and efficiency of energy control capability helps in operation to change the strategic tool and environment. Some of the risks and challenges of this type of industry are managing risk and reducing the cost in uncertain times, dealing with customer and partners' demand, complex supply chain and human challenges. The recommendations on recruiting talented employees and arranging the proper training and development for them could be suitable for mitigating the challenges in HR management. Furthermore, other effective strategies need to be implemented by the industry to overcome the present situation of Globalization 4.0.

Keywords: Globalization 4.0, HRM and Industry

Introduction

Globalization 4.0 is a term that helps to describe growing interdependencies of the world's economy, population, and culture brought by the cross-border trading in goods, technology, services, people and information. Globalization 4.0 is the advanced stage which has certain advantages and disadvantages as well. The following section has illustrated an overview of globalization 4.0 with its examples, advantages, and challenges as well. Technological advancement is one of the changes which immensely affected the industry and discussed its

impact in the assignment. The challenges faced by human resource management due to globalization 4.0 have been discussed in the following section.

Understanding Globalization 4.0

Globalization 4.0 is the process that describes the growing interdependence of the world's economy, population, the culture brought by cross border trade in goods and services, people, technologies, information and flow of investment. All the countries have built their partners to ease this process over centuries. After World War II the arrangement changed everyday life. After this incident, it narrowed down towards international trade and the investment flows towards advanced economies which mostly focused on the US. The effects of Globalization 4.0 became politically charged and complex in the process (Susan et al., 2019). The changes include technological advancement, Globalization 4.0 benefits society which harms certain groups. After all these movements some crisis has been raised about governance architecture. After the crisis, a new framework for global public-private corporations has taken place.

This exploits the open markets and private sector to drive the economic development for public goods. The new economy has changed and adversely affected many industries, transferring many workers to other countries for their job relocation. In order to deal with this situation, many strategies have been implemented and competition among capital investment, domestic products, labour markets and trading have been identified (Schwab, 2018). A broad range of competition has been taking place among the countries due to globalization. After Globalization 4.0, technological advancement was identified and it has remarkable impacts on different aspects of business such as production, or other departments. Technological advancement such as artificial intelligence, robotics, machine learning has shaped whole trading process in the countries.

Some examples of globalization can be termed as cultural Globalization 4.0, economic Globalization 4.0, geographic Globalization 4.0, financial Globalization 4.0, economic Globalization 4.0, sociological, technological and others (Schwab, 2018). Economic Globalization 4.0 is termed as the development of trade systems within transnational actors such as NGOs or corporations. Technological globalization 4.0 is also an important factor for trading through which a wide range of people are connected via social media pages and others. There are several benefits of Globalization 4.0 such as it changed the comic changes and increased the diversified culture exchange process. It also gives a boost to financial exchanges which are called foreign direct investment as well. For Globalization 4.0 there is no geographic barrier for the industries any company can connect with other

countries and business can take place (Susan et al. 2019). Globalization 4.0 impacted adversely as well and the negative impact can be stated as culture loss, economic downturn, environmental impact, and others. The following section has illustrated the technology of Globalization 4.0 broadly.

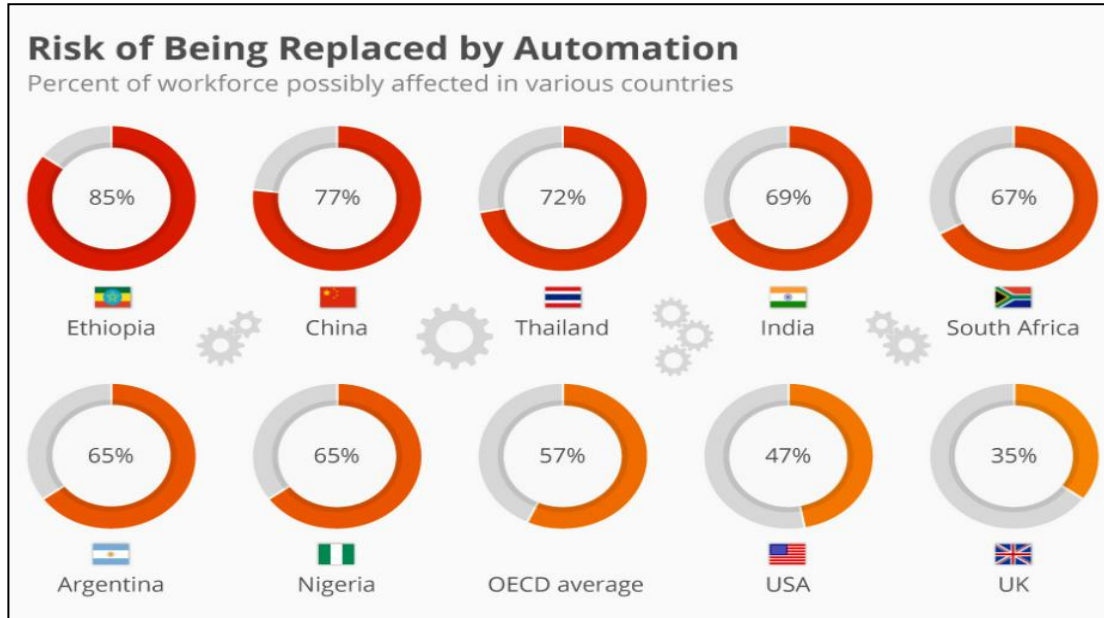


Fig 1: Technological advancement replaces Human workforce after Globalization 4.0

(Source: Loesche, D., 2016, Statista)

Technology of Globalization

From 1990, communication and information technology made different types of applications in factories and trading. In order to run the whole process of production smoothly, the coordination of communication and technology allowed the G7 firms to share the production stages in the developing countries (Baldwin, 2018). The difference has been identified within the wage gap and it made the profits within the manufacturing location. State of technology made the cost for overcoming factors but in this context digital technology is changing the reality of today's scenario.

Digital technology can be also termed Digitech which helps to tear down the barrier in wage attributes within the services industry. This offers a great opportunity to operate the business from one country to another. In some of the web development companies, tele migration takes place and international telecommunication is a very known term that helps to operate the whole trading system within a connection or network. This is one of the new forms of globalization which includes advanced telecommunication technology and machine transition. Globalization 4.0 is the fourth generation of Globalization 1.0, 2.0 and 3.0. This

Globalization 4.0 has changed the perspective of the service sector through technological advancement or Digitech as a result many professionals and services sectors have been faced with challenges as well as opportunities (Baldwin, 2018). The service sectors have been exposed to many AI-driven systems in the workplaces which reflects on the production and human workforces. Workers faced challenges due to technological advancement due to poor knowledge and many of the workers faced retention issues as they got replaced.

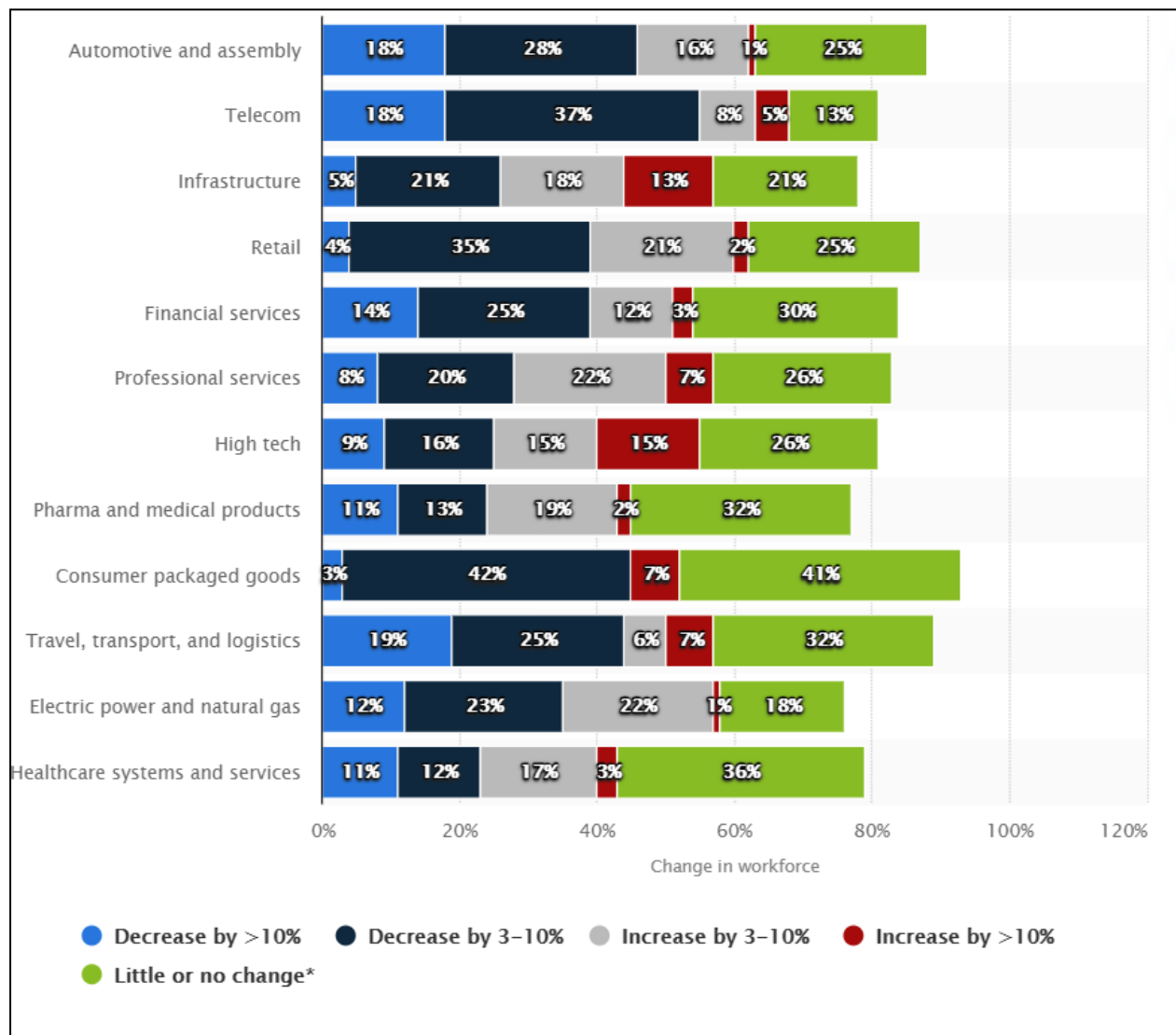


Fig 2: Predictive changes due to AI after Globalization 4.0 (Source: Liu, S., 2020, Statista)

Lack of resources and knowledge increases the opportunity for technological advancement in the workplace. Consistent technological advancement contributed towards globalization 4.0 and it reflects on the whole country in terms of trading, communication, people's wellbeing, economic value exchanges, cultural and social capital. A broad change has been identified in the business along with workplace practices, and it boosts the

competitive advantages and management innovation process (Weisblat, 2019). Some examples of technological globalization can be termed as the growth of multinational technology corporations, media globalization, mobile banking, and the mechanization of manufacturing.

Advantages of technological globalization are one world economy, easy process in international trade, the rise of online communities, economic growth, fast technology advancement, and reducing poverty level. Technological advancement or Digitech speeds up the customs at the nation-state borders transfers money and also helps in transferring goods fast as air innovation. The rise of international currency is one example of this fact. Technological advancement helps in sharing the culture through the connection of social media and it boosts the development of the identity process (Weisblat, 2019). Some of the disadvantages of technological advancement can be stated as replacement of workers through the Digitech drives pieces of machinery, the rise of several fake news, and cultural homogenization.

Transformation in Industrial Models: Industry 4.0

The importance of human capital management in smart manufacturing and the industry 4.0 revolution has been illustrated in the following section. The Industrial revolution has changed from the mechanical production-driven aspects. Transformation or revolution of the industry is driven by humans by implementing creative minds to solve the problem (Hecklau et al., 2017). The transformation in manufacturing and the industry has been developed broadly. In the Smart manufacturing and Industry 4.0 revolution, the manufactured products are more smart and cyber-physical system driven. Human beings have broad knowledge and they transform into superbeings. The immense knowledge of human beings used in trading to make the difference in smart manufacturing and the industry 4.0 revolution (Evans, 2018). This smart manufacturing transformation and industry revolution 4.0 can be differentiated as big data analytics, 3-D printing, cloud, machine learning, robotics and others. The whole process is based on computing power, connectivity, and self-management capabilities.

Characteristics of smart manufacturing and industry 4.0 revolution are Internet of service (IoS), Cyber-physical systems, Internet of Data (IoD), and Internet of Things (IoT). Internet of Data (IoD) consists of the process of managing and sharing data along with using internet technologies. Cyber-physical system (CPS) is the combination of physical and virtual worlds. IoT helps to communicate smart systems using IP addresses. IoS provides internet-based service, knowledge, Concept of products specific demands and services for product behaviour controlling the process as a whole (Evans, 2018). Recently smart manufacturing

and industry 4.0 has come up with new concepts which include cloud-based manufacturing processes, smart manufacturing addressing the digitally enabled vision, internet of things and industrial internet. In this revolution industry, the concepts are related to technological progress where supporting technologies and the internet serves as human-machine interface, production lines, materials, products beyond the organizational boundaries which helps to form new types of intelligence and value chain.

Future concepts of smart manufacturing can be referred to as smart manufacturing and industry 4.0 is characterized by small decentralized, autonomous acting, the network for digital production and efficiency of energy control capability helps in operation to change the strategic tool and environment (Schlaepfer, Koch, & Merkofer, 2014). The nodes are called Smart manufacturing or smart factories. These network types are generally connected with large value chain networks with responsibility for customer demand. Some of the risks and challenges of this type of industry are managing risk and reducing the cost in uncertain times, dealing with customer and partners' demand, complex supply chain and human challenges.

Challenges Before Human Resource Management

Human resource management faced challenges while *aligning with the business* after Globalization 4.0. The 5 R related to human resource management are resourcing, retaining talent, recruiting, restructuring and retraining. Globalization 4.0 impacted these factors as resourcing became challenging for the organizations due to vast change in the country and the new upcoming environment (Agarwal & Al-Qouyatahi, 2018). *Retention* was also a factor in globalization 4.0 as advancement in technology impacted the human resource and low knowledge in these technical terms replaced them from the organization. Many employees face insecurity in their jobs and it leads to a high turnover rate as well. Managing diverse workforce management has become a challenging situation after globalization 4.0. The challenges with recruitment not only affected the organization, but they also faced the problem with managing the performance of the employees after this globalization 4.0. In terms of training and development, human resource management faced issues due to Globalization 4.0.

Identification of the best talent from the industry has become a challenge for human resources management after globalization 4.0. It impacted the role of HRM and in future, the job role from the administrative role will transfer to a strategic role (Sima et al., 2020). Creating an environment that boosts the creation of knowledge and its impact throughout the organization is one of the biggest challenges within human resources management. Some

other major challenges faced by the HRM due to globalization 4.0 are lack of talented people within the organization, lack of human capital, and developing a collaborative workforce. As diversified culture is there, therefore, it is reflected in the human workforce. Raising funds for trading was another issue that was faced by HRM (Kumari & Goel, 2020). The HRM also faced challenges while convincing and inspiring the workforce for technological advancement after globalization 4.0 as the employees were not ready to accept the changes.

Conclusion

It can be concluded as Globalization 4.0 is the phenomenon that has been driven by the technological advancement and movement of people, goods and ideas all over the world. Globalization 4.0 is one of the latest trends or stages of globalization that includes technological advancement such as Artificial Intelligence that powers the explosion of information technology. These technologies shrink the distances, bring people close together all over the globe, open up minds and borders. The above section has analysed the overview of globalization 4.0 which is the next level of 1.0, 2.0 and 3.0 globalization. Technology of globalization also has illustrated in the above section which has advantages as well as disadvantages on industry and human force. Many human workforces get replaced due to technological advancement in the industry as they have poor knowledge in technical aspects. The challenges in human resource management after globalization 4.0 were remarkably identified in the above section. Hence, to deal with such kind of challenging situation the organization needs to implement certain strategies.

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