

CASER STUDY 9.1. A World Marketplace for jobs Project-Based Work Environment (Global)

It used to be necessary to bring workers to where the work was. But with the advent of the World Wide Web, the internet and mobile phones and the global communication they make possible, it is now possible to send work to wherever workers are by putting together multinational project teams, by using the internet to recruit employees on a global scale, or by using open-source software to accommodate global collaboration. These new styles of work and employment are arising particularly in response to the capabilities of computers and mobile phones and to the chronic needs for IT skills in growing numbers of industries.

For example, one firm in Bern, Switzerland, recruited from the web a group of doctorates in discrete mathematics and graph theory from as far away as Belarus, India, Israel, and Ireland for a semiconductor design project. Team members never left their home countries and the team leader never left his home office. And the task group beat its deadline.

In industry after industry, as customers expect quicker service and competition forces shrinking product life cycles, employers are being driven to apply a 'Hollywood model' to their tasks. They assemble the best talent available at that moment from anywhere in the world (which is the way teams are put together to film a movie). When the project is complete, the team breaks up and the members move on to new projects. The end result is a new highly efficient global labour market unlike any seen before.

Even for small businesses, their new talent pool is the world. A new generation of online services is providing small businesses with opportunities to find specialised expertise and affordable labour. Businesses can go shopping in a virtual international bazaar of freelancers to recruit computer programmers in Russia, graphic designers in Italy, or data analysts in India. A small business of one can look to the world like a very large company and have access to all kinds of services. Technical advances have made remote work and virtual teams more feasible. And, increasingly freelancers are taking on assignments like customer service, data entry, writing, accounting, human resources, marketing, payroll – virtually, any 'knowledge process' that can be performed remotely, even setting up and managing business profiles on social networking sites like Facebook and Twitter.

In some cases, the cost savings can be substantial: for example, the hourly rates of programmers in Russia, India or Pakistan are a fraction of those in North America or Europe. And these freelance marketplaces also allow small businesses to assemble teams quickly, find specialised expertise, begin new initiatives, and then be able to drop everything when it's no longer needed.

When John Wilde, chief executive of Tailor Made Products, a small manufacturing firm in a small town in Wisconsin, in the USA, wanted to build a website for a new line of children's kitchen gadgets called the Curious Chef, he turned to oDesk and hired a firm in India. He paid about US\$20,000, which he estimates was roughly half of what he would have paid in the USA.

Sources: Norris, C.D. (2000), Already starting: A world marketplace for jobs, International Herald Tribune, August 8, 6; Pattison, K. (2009), Enlisting a global work force of freelancers, The New York Times, <http://www.nytimes.com/2009/06/25/business/smallbusiness/25freelance.html>

Discussion Questions:

- 1. Critically assess the impact that the use of multicultural virtual teams has on international human resource management and the role that the HR department will have in these employee relationships.**
- 2. Which of these do you anticipate to become more important in the future in global business: cloud computing; mass collaboration virtual/ cross-border team; or in dependent contractors? Why?**
- 3. What is the impact on IHR? That is, what role does IHR have when there are no employees?**
- 4. Cost difference between virtual teams and independence contractors**
- 5. What are the biggest challenges in virtual teams for IHR Managers?**