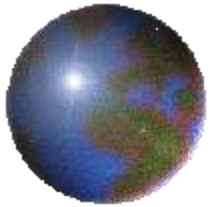
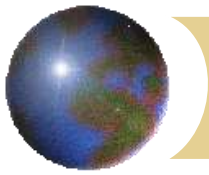


International recruitment



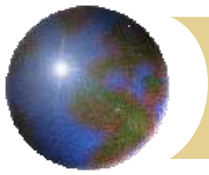
Dr.S.Karuppaiyan
DLL, BDU



Learning Objectives

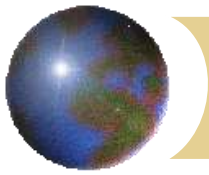
- ❖ To describe the challenges of managing managers and labor personnel both in individual international markets and in worldwide operations
- ❖ To examine the sources, qualifications, and compensation of international managers
- ❖ To assess the effects of culture on managers and management policies
- ❖ To illustrate the different roles of labor in international markets, especially that of labor participation in management





Introduction

- ❖ **Organizations have two general human resource objectives**
 - ❖ **Recruitment and retention**
 - ❖ **Increased effectiveness**
- ❖ **To attain the two major objectives, the skills and activities needed include:**
 - ❖ **Personnel planning and staffing**
 - ❖ **Personnel training**
 - ❖ **Compensation**
 - ❖ **An understanding of labor-management relations**

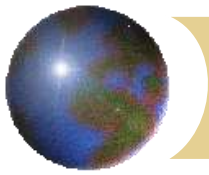


Managing Managers

The importance of the quality of the workforce in international business cannot be stressed enough, regardless of the stage of internationalization of the firm

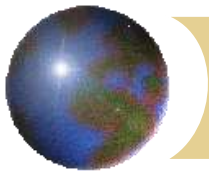
- ❖ Early stages
- ❖ Advanced stages





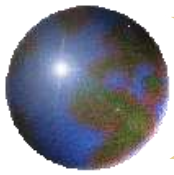
Early Stages of Internationalization

- ✚ **The marketing or sales manager of the firm typically is responsible for beginning export activities**
- ✚ **The firm starting international operations will usually hire an export manager from outside rather than promote from within**
 - ✚ This individual will have obtained experience from another corporation or Foreign Service duty
 - ✚ High entrepreneurial spirit with trader mentality

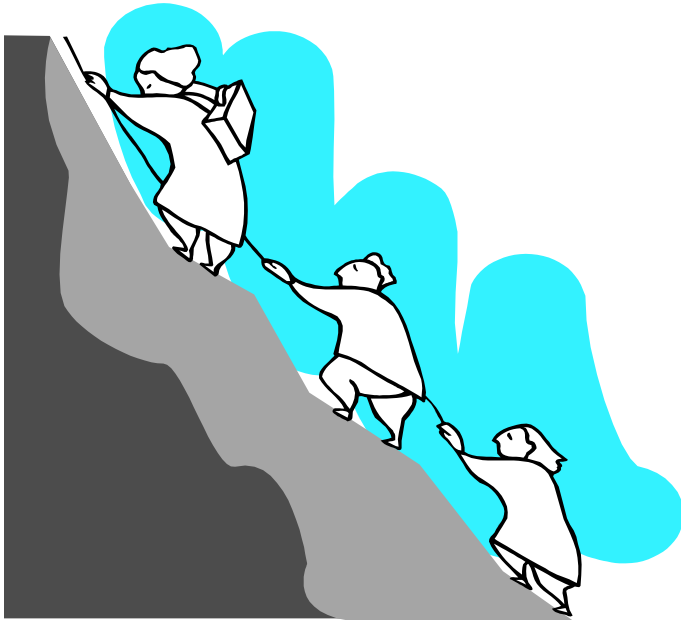


Advanced Stages of Internationalization

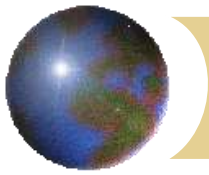
- ✚ **As the firm progresses, human resources planning activities will initially focus on the needs of various markets and functions**
- ✚ **One of the major sources of competitive advantage of global corporations is their ability to attract talent from around the world**



Interfirm Cooperative Ventures

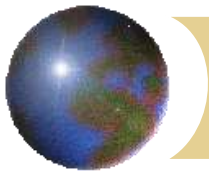


Global competition is forging new cooperative ties between firms from different countries, thereby adding new management challenges for the firms involved



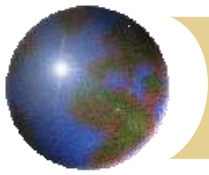
Sources for Management Recruitment

- ✚ The location and the nationality of candidates for a particular job are the key issues in recruitment
 - ✚ Internal or External
 - ✚ Local or Expatriates
- ✚ The recruitment approach changes over the internalization process of the firm
- ✚ When international operations are expanded, a management development dilemma may result



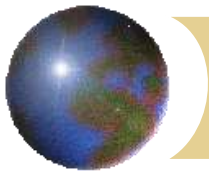
Sources for Management Recruitment

- ✚ Currently, most managers in subsidiaries are host-country nationals
- ✚ Local managers, if not properly trained, may see things differently from the way they are viewed at headquarters
- ✚ The decision as to whether to use home-country nationals depends on several factors
- ✚ The number of home-country nationals in an overseas operation rarely rises above 10% of the workforce with 1% being typical



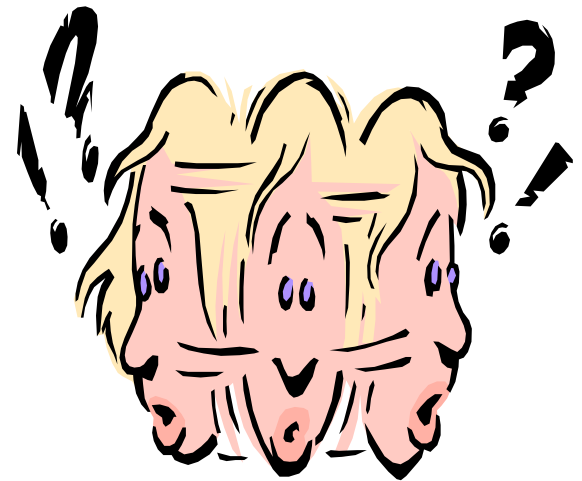
Sources for Management Recruitment

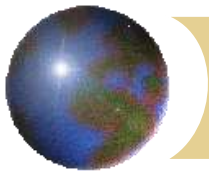
- ✚ The use of third-country nationals is most often seen in large multinational companies that have adopted a global philosophy
- ✚ The ability to recruit for international assignments is determined by the value an individual company places on international operations and the experience gained in working in them
- ✚ In an era of regional integration, many companies are facing a severe shortage of managers who can think and operate regionally or globally



Selection criteria for Overseas Assignments

The traits that have been suggested as necessary for the international manager range from the ideal to the real



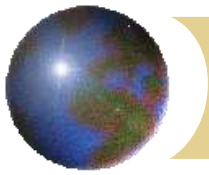


Competence Factors

- ✚ **An expatriate manager usually has far more responsibility than a manager in a comparable domestic position and must be far more self-sufficient in making decisions and conducting daily business**

- ✚ ***Factual cultural knowledge***

- ✚ ***Area expertise***

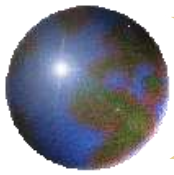


Adaptability Factors

- ✚ **The manager's own motivation to a great extent determines the viability of an overseas assignment and consequently its success**

- ✚ **Interpretive cultural knowledge**

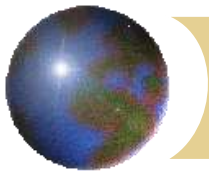




Personal Characteristics



- ✚ **Despite all of the efforts made by multinational companies to recruit the best person available, demographics still play a role in the selection process**

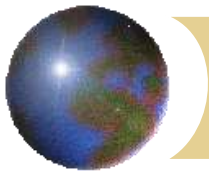


The Selection and Orientation Challenge

- Due to the cost of transferring a manager overseas, many firms go beyond standard selection procedures

- Adaptability screening

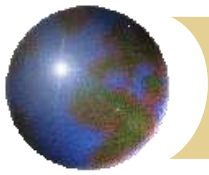
- The candidate selected will participate in an *orientation program* on internal and external aspects of the assignment



Culture Shock

- ✚ The effectiveness of orientation procedures can be measured only after managers are overseas
- ✚ *Culture shock* is the term used for pronounced reactions to the psychological disorientation that is experienced in varying degrees when spending an extended period of time in a new environment



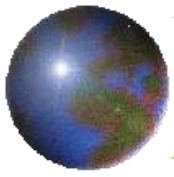


Causes and Remedies

- ✚ **The culture shock cycle for an overseas assignment may last about fourteen months**



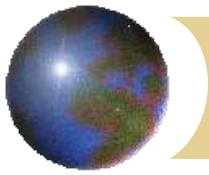
- ✚ **Four distinct stages of adjustment exist during a foreign assignment**
 - ✚ **Initial euphoria**
 - ✚ **Irritation and hostility**
 - ✚ **Adjustment**
 - ✚ **Reentry**



Repatriation

- ✚ **Returning home may evoke mixed feelings on the part of the expatriate and the family**
- ✚ **Their concerns are both professional and personal**

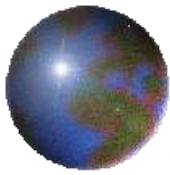




Base Salary and Salary-Related Allowances



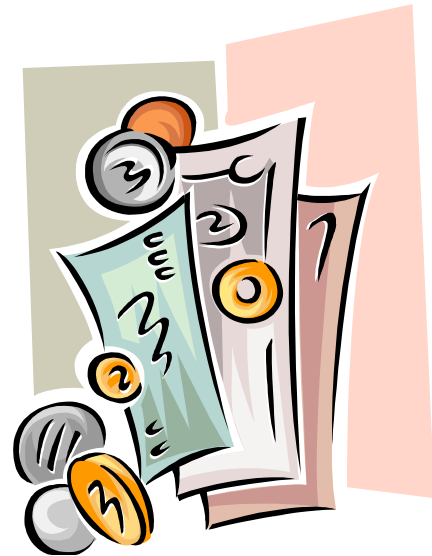
- ✦ A manager's *base salary* depends on qualifications, responsibilities, and duties
- ✦ The purpose of a *cost of living allowance (COLA)* is to enable the manager to maintain as closely as possible the same standard of living that he or she would have at home
 - ❑ Foreign service premium
 - ❑ Hardship allowance
 - ❑ Housing allowance
 - ❑ Tax equalization

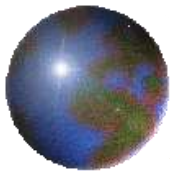


Nonsalary-Related Allowances

❖ **Other types of allowances are made available to ease the transition into the period of service abroad**

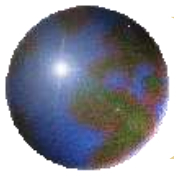
- ❖ **Relocation**
- ❖ **Mobility**
- ❖ **Housing related**
- ❖ **Automobile protection**
- ❖ **Travel**
- ❖ **Temporary living expenses**
- ❖ **Education**





Labor Participation in Management

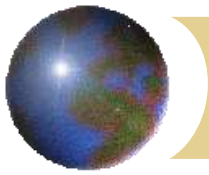
- ❖ **Over the past quarter century, many changes have occurred in the traditional labor-management relationship**
- ❖ **To enhance workers' role in decision making, various techniques have emerged**
 - ❖ **Self-management**
 - ❖ **Codetermination**
 - ❖ **Minority board membership**
 - ❖ **Work councils**



Improvement of Quality of Work Life

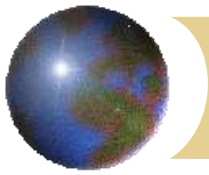


- ✿ The term *quality of work life* has come to encompass various efforts in the areas of personal and professional development
- ✿ Individual job-related programs include:
 - ✦ Work redesign
 - ✦ Team building
 - Quality circles
 - ✦ Work scheduling
 - Flextime



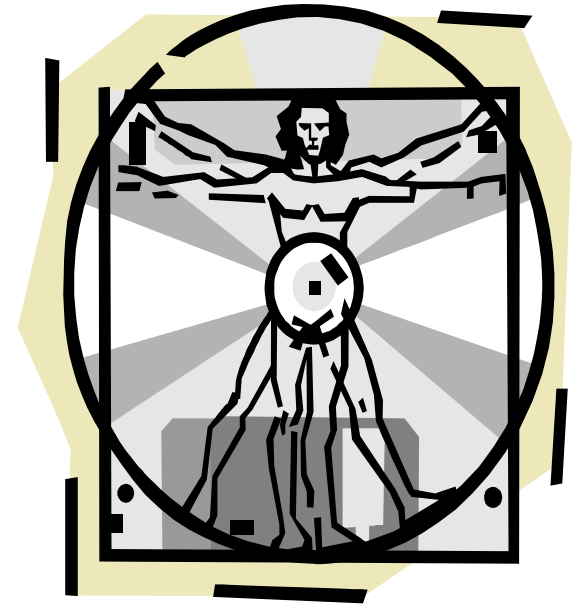
The Role of Labor Unions

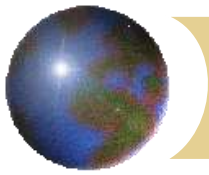
- ✚ **The role of labor unions varies from country to country**
- ✚ **Internationalization of business has created a number of challenges for labor unions**
- ✚ **The relations between companies and unions can be cooperative**



Human Resource Policies

- ❖ **The objectives of a human resource policy pertaining to workers are the same as for management to anticipate the demand for various skills and to have in place programs that will ensure the availability of employees when needed**





Human Resource Policies



- ❖ **Compensation of the work force is a controversial issue**
- ❖ **Comparisons of compensation packages are difficult**
- ❖ **Differences in compensation packages may come to a head in merger and acquisition situations**