

Recruitment and Selection (International Staffing):

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Introduction:

The first step in staffing involves Human Resource Planning (HRP), which is understood as the process of forecasting an international organizations' future demand for and supply of, the right type of people in the right number. The HRP process is closely linked to the business plan of the MNC and facilitates the realization of the organization's objectives by providing the right type and the right number of personnel. Since, hiring and then deploying people to positions where they can perform effectively is the ultimate goal of most of the organizational HRP, whether domestic or international and **Ihram's Strategy focus is Right mix of managers and employees, the next activity Recruitment and selection is the key to success or failure of any MNCs.**

Question is why? Recruitment & Selection is the process that interlinked the HR and the ORGANIZATION. Individual personality traits directly influence Organizational outcomes like turnover, Creativity and commitment. Individual motivation helps for continuous Improvement (Training) and cross functional actions (Team development) Wrong selection is the ultimate cause for Continuous absenteeism, cost of expatriate's failure, customer dissatisfaction and loosing the business relationship. Therefore,

- **Recruitment** is defined as searching for and obtaining job candidates in sufficient numbers and quality so that the organization can select the most appropriate people to fill its job need.
- **Selection** is the process of gathering information for the purposes of evaluating and deciding who should be employed in particular job.

Before international recruitment, we have to ask 3 important questions -

- From what country/ies to recruit (home, host or third)?
- What Techniques to be used when recruitment is planned out side home country?
- Whether to centralized recruitment activities in home country or decentralize in foreign subsidiaries?

Because, international employee selection based on four issues in the context of staffing global business:

- Linking staffing plans with the evolution of the MNC.
 - Staffing orientation/ approach of staffing
 - Managing expatriates
 - Female expatriates
1. Linking staffing plans with the evolution of the MNC: Staffing strategies differ based on the life cycle of the MNCs like:

- Setting up the host unit
 - Establishing the technology team to begin core operational activities.
 - Full blown operations of the host unit with significant role in establishing global objectives and targets,
 - Strong operational leadership at the unit level while globally consolidating with parents.
2. Staffing orientation include ethnocentric, polycentric re-giocentric and geocentric approaches. Each orientation has its own strength and weaknesses:

A. Ethno – centric: Here primary positions are held by citizens of home country (PCNs). Three factors are to be considered in the staff:

- Should be able to adjust in family, cultures and personality problems to avoid failure.
- To succeed, should enjoy local entertainment, develop local relationships and communicate with locals.
- To achieve success, expatriates to have open attitude and take training towards host – country.

Under ethno centric, lines of communication are one – directional, i.e. advice from headquarters. In fact, home country attitude and culture dominates.

B. Poly – centric: Here primary positions are filled by nationals from host country(HCNs)y. Advantages of this are:

- Better local knowledge
- Reduce personal problems
- Host country managers can protect a MNC from hostile treatment by host Government.
- Here subsidiary is allowed some autonomy but financial controls are kept.
- Top people are limited to subsidiary and not for corporate position.

C. Regio-centric:

- Here primary positions are by people from countries with similar culture practices and experienced in management practices (TCNs).
- For example, positioning in Sri lanka, South Indians can be preferred.

D. Geocentric:

- Under this the best qualified individuals are hired at home and abroad regardless of any nationality.
- Whole world is treated as market to implement global approach.

As with PCNs, and HCNs, hiring, TCNs has both merit as well as demerits. Advantages of TCNs include better talent pool, development of international

expertise, and help in building pan – global culture. More expenses and difficulty of importing managerial and technical employees are the main drawbacks of depending on TCNs . Here is some advantages and dis- advantages :

Nationals	Advantages	Disadvantages
PCN	<ul style="list-style-type: none"> ● Org. control and coordination are maintained & facilitated ● Promising managers are given international Exp. 	<ul style="list-style-type: none"> ● The promotional opportunities of HCNs are limited. ● Adaptation to host country may take a long time.
HCN	<ul style="list-style-type: none"> ● Language and other barriers are eliminated. ● Hiring costs are reduced and no work permit is required 	<ul style="list-style-type: none"> ● Control and coordination of HQ may be impeded ● HCNs have limited career opportunity outside the subsidiary
TCN	<ul style="list-style-type: none"> ● Salary and benefits requirements may be lower than for PCNs. ● TCNs may be better informed than PCNs about the host country environment. 	<ul style="list-style-type: none"> ● Transfer must consider possible national animosities (e.g. India and Pakistan) ● The host government may Present hiring of TCNs.

1. Choosing an Approach to IHRM

- Political and legal concerns
- Level of development in foreign locations
- Technology and the nature of the product
- Organizational life cycle
- Age and history of the subsidiary
- Organizational and national cultural differences

2. Reasons for International Assignment:

- *Position filling*
- *Management Development*
- *Organizational Development*

3. Types of International staffing:

- **Short term** – up to 3 month
- **Extended** - up to 1 year
- **Long term** – 2-5 years
- **Commuter Assignment** – Person lives in London but works in Moscow come and go by weekly or biweekly basis.
- **Rotational Assignment** - Used on oil rigs
- **Contractual Assignment** – Depends on the project.

- **Virtual Assignment** – Where the employee does not relocate to a host location but manages, from home – base, international responsibilities for a part of the organization in another country.

Selection Procedures of Expatriates:

In view of the direct and indirect costs of expatriate failure, and knowing the reasons for their failure in their assignment, **MNCs spend considerable time and effort in screening employees** and their families before selecting them for foreign postings. However, the criteria and the **selection procedures used vary from one MNC to another** and from one country to another. International selection is a **two way process between the individual and the organization**. A prospective candidate may reject the expatriate assignment either for personal reasons, such as family considerations, or for situational factors. However, after an extensive review of literatures on the selection of expats, the researcher identified **18** variables and grouped them into four categories:

- **Technical Competency**
- **Relational Skills**
- **Ability to cope with variables and**
- **Family Situation**

In general the factors involved in expatriate selection are as follows:

Expatriate Selection - Example

- Western European and Japanese MNCs emphasize technical competence and ability to acclimate
- North American corporations select mainly on technical competence
 - ✦ Behaviors successful at home may not work abroad
 - ✦ Previous experience abroad may or may not predict future success

Selection techniques of expatriates: Global companies require the human resources adaptable not only to the job and organizational requirements, but also to the cultural requirements of various countries. As such, the selection techniques for global jobs vary from those of domestic jobs. These techniques include:

- ***Interview – structured interview***
- ***The monitoring and targeting of disadvantaged group – (staffing practices are strongly influenced by norms and values that are not covered by the law)***
- ***Psychological Testing- mentally fit for international assignment***
- ***Assessment centre – Competency assessment***

Selection Techniques in General, important steps are:

- Screening the applicant's background on the basis of **work experience with cultures other than one's own, previous overseas travel, knowledge of foreign language and overall Performance.**
- Testing the candidate's ability to adapt to the new culture and environment.
- Testing the ability of the spouse and family members of the candidates to the foreign culture and environment.
- Predicting the adjustment of the candidate.

- Testing the skill of adjustment with the host nationals.
- Job duties and responsibilities

Therefore expatriate must meet 6 basic criteria:

- They must be willing and motivated to go overseas
- They must be technically able to do the job
- They must be adaptable
- They must have good inter personal skills and able to form relationship
- They must have good communication ability and
- They must have supportive families

Scientific orientation of Expatriate:



Expatriate’s Success factors:

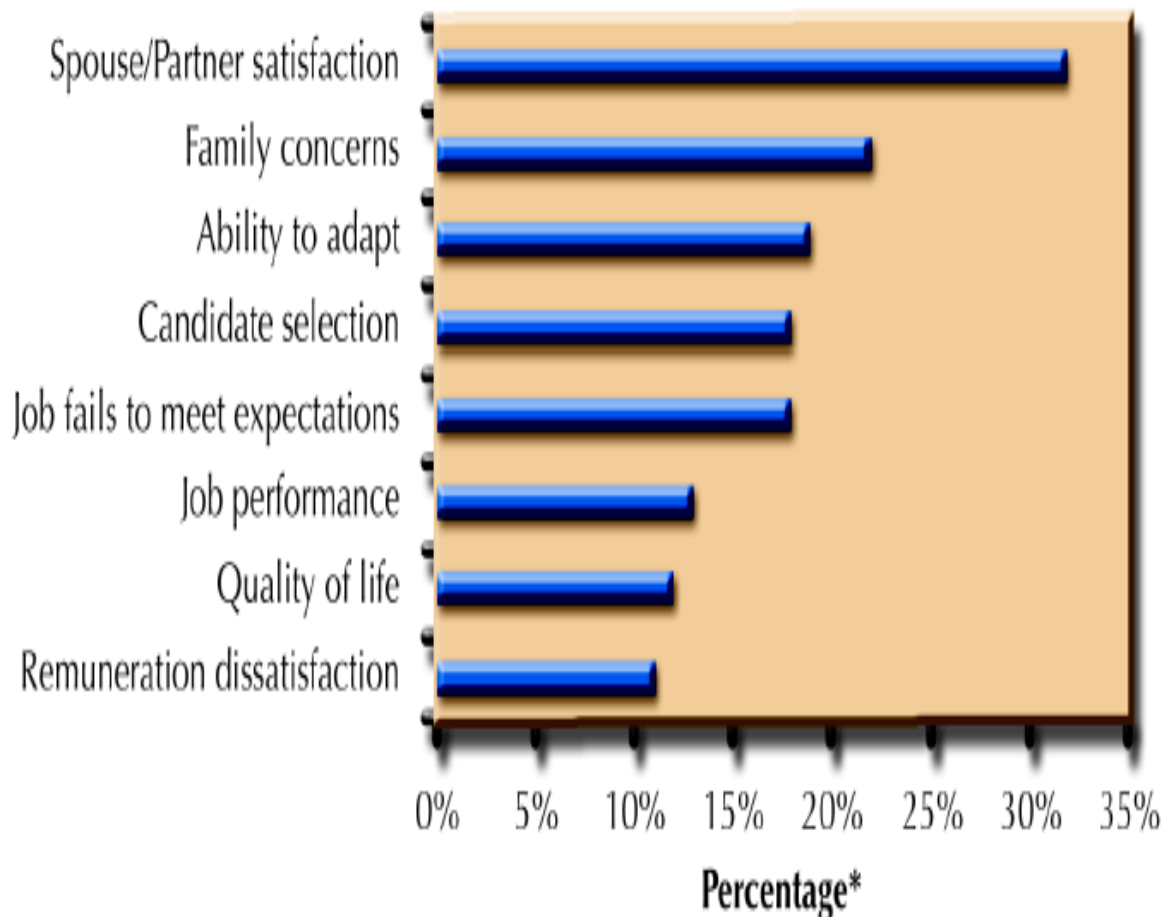
- **Rosalie Tung** studied the factors that contributed to expatriate success and identify different variables that affect success. She groups them into 4 general categories:
 1. Job competence
 2. Personality traits
 3. Relational abilities
 4. Environmental variables and family variables
 Which are further divided into two heads: general factors and specific ones

Factors contributing to the success of expatriates:

General Factors	Specific Attributes
JOB Competence	Technical skills: knowledge of HQ and host country operations, general managerial skills, administrative competence and creativity

Relational Traits	Social Skill: Ability to tolerate ambiguity, Courtesy and tact Respect, kindness and behavioral flexibility Cultural empathy and ethnocentrism Integrity confidence and emotional stability
Personality Traits	Diplomatic Skill: Believe in the mission Congruence of assignment with career path Interest in overseas experience Willingness to acquire new behavior patterns and attitudes Interest to learn Host country language and practice Adopting attitude of Non – verbal communication Ability to interact with business associates
Environmental and Family variables	Motivational Skill: Willingness of the spouse to live overseas Adaptability and supportiveness of spouse Stability of marriage

Causes of Expatriate Assignment Failure



*Percentages reflect "often caused failure" responses only. More than one answer could be given.

Adaptability to culture change

- Overseas managers must be able to adapt to change.
- Many managers are exhilarated at the beginning, after a few months a form of cultural shock creeps in and they begin to encounter frustration and feel good in their new environment.
- This is the good sign, because it shows that the expatriate is getting involved in the new culture and is not isolating him or herself from the environment

Adaptability of men expatriate

Faster adjustment after first year when the age group is 30-35 and higher level of satisfaction. Gradual adjustment after third and fourth year when the age group is 25-30 and medium level of satisfaction.

Adaptability of women expatriates:

Slow adjustment after first year when the age group is 30-35 and lower level of satisfaction . Faster adjustment after third and fourth year when the age group is 25-30 and medium level of satisfaction.

For easy adjustable tips are:

- Enjoy the local culture but adopt the good ones
- Be Creative and hard working
- Focus on the task at hand & achieve the change desired.
- Involve with local club / Association.
- Attend all Overseas training / Technical courses

Barriers to female taking International Assignment

External Barriers	Self established Barriers
<ul style="list-style-type: none"> ● HR managers reluctant to select female candidates 	<ul style="list-style-type: none"> ● Some women have limited willingness to relocate.
<ul style="list-style-type: none"> ● Culturally tough locations or regions does not favor female expatriates. 	<ul style="list-style-type: none"> ● The dual – career couple
<ul style="list-style-type: none"> ● Those selecting expatriates have stereotypes in their minds that influence decisions 	<ul style="list-style-type: none"> ● Women are often a barrier to their own careers by behaving according to gender based role models

Current Expatriate profile:

Category	PCN (32%)	HCN (20%)	TCN (48%)
Gender	Male- 82% Female- 18%	82% 18%	90% 10%
Age group	30-49	24-29	25-30
Marital Status	Married – 65% Unmarried – 35%	74% 26%	20% 80%
Duration	1-3 years (52%)	1 year (60%)	2-5 years (50%)
Location	With in Europe (35%)	Asia specific region (24%)	As per job requirement
Primary Reason	Management & Organization Development	Management Development	Fill the position
Prior to International Exp	30%	20%	10-15%

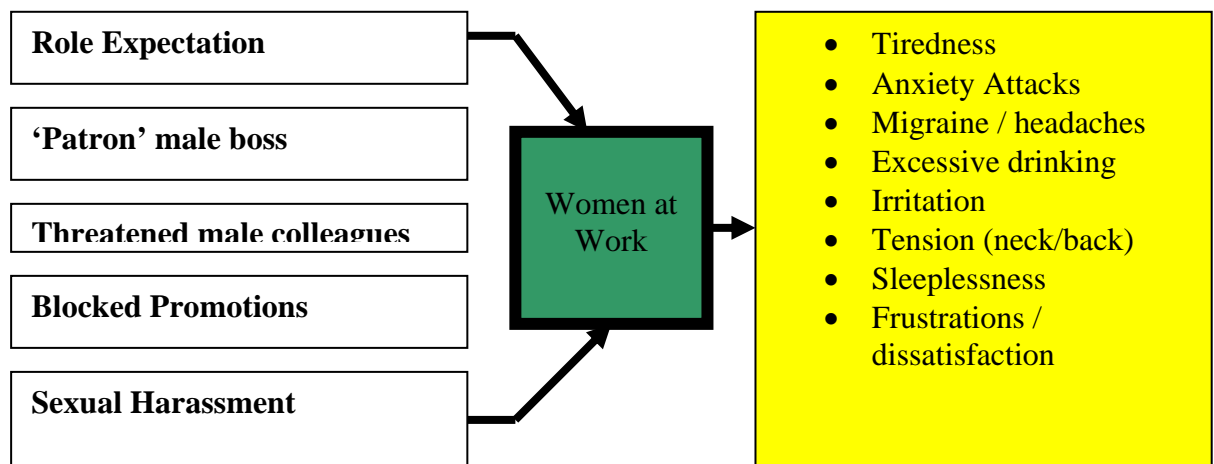
Global Staffing

Japan	China
Hire young people out of school	Most hired from school, fewer from other companies
Slow promotion through the ranks	Slow but regular salary increase
Performance Appraisal once or twice a year	Performance review usually once a year
Loyalty to the company	Lack of loyalty to both company and profession
Appraisal of long term performance	5 years plan; short term target
Promotions based on long term performance and other criteria.	Promotion based on Performance, Potential ability, and Education but family ties / good relations with top managers are important
Training and development considered a long term investment	Training program available, state exam administered for managers.
Life time employment common in companies	Job Security – virtually life time employment.

Women Expatriates:

Expatriates need not be males always, though the trend points out to male domination. In the GMAC – GRS 2002 survey, it was found out that 18% of the overseas assignments – motivation, stereotyping, capabilities, family constraints, organizational processes and host country attitudes.

It is popularly believed that women are less ambitious and this impedes their motivation to work in foreign locations. A few studies have been cited to disprove this perception. For example, Adler's (1984) study has proved that many MBA graduates in the USA were willing to accept overseas postings. Lowe's (1999) study, again based in US, says that the host country determines the willingness or otherwise of women to act as expatriates. A CII survey of women in corporate India indicates that almost 90% of women exit the workplace after they have children. However, even today, there is a big challenge in women executives in corporate whether in national or Multinational. The stress and women at work are as follows:



What approach the management displays towards diversity – particularly in having more females in senior positions in organizational hierarchy – is a dimension that has considerable significance. Four approaches have been identified:

1. Identifying with men's approaches to managing internationally
2. Denying differences between men and women
3. Identifying with women's approaches to managing internationally
4. Creating a synergy by leveraging women's and men's approaches to managing internationally.

The first and the third approaches acknowledge differences but in a negative way, in that the third approach is better than the first. The second orientation denies differences between men and women. Both are seen as equally competent in managing international assignments. The fourth approach is ideal when an organization with a cosmopolitan outlook tends to pursue. The organization is believed to create synergy by integrating and leveraging women's and men's unique style as complementary approaches. This approach is most conducive to sustained, long term global effectiveness.

Dual Career Couple (DCC):

DCC refers to a situation where both husband and wife are in jobs. It becomes difficult for the HR manager to convince the employee to accept foreign assignment if the spouse is not willing to accompany him or her because of the effect of such an assignment on his or her career prospects. Spousal or dual career issues are often cited as the reason for rejecting international assignments, particularly in the US and European organizations, but it is less visible in Asian Countries.

The number of dual career couples is increasing and the trend is world wide. DuPont, for example, has 3,500 dual career couples in the work force of 1,00,000.

How to manage DCC? Several ways have been tried, most of them with positive results. Following are the major ones:

- **Turn down the foreign assignment.**
- **Find the suitable job for the trailing spouse.**
- **Commuter assignments: additional supports from company.**
- **Sabbatical: The trailing spouse may take a sabbatical - a career break that allow him or her to accompany to his her wife while he /she works abroad.**
- **Intra – company employment: Means sending the couple in the same subsidiary or in the same department.**
- **On assignment career support: Career support is extended to a spouse, who was in a job till the assignment**

Motorola India, for example provides educational assistance to employee's (on an international assignment) spouses for getting a suitable job abroad. If the candidates fit in with organization needs, Motorola has a practice of hiring the person in. **Infosys** provides up to one year's leave without pay for an employee to join his / her partner abroad. However, the employee needs to have completed at least one year of service to be eligible to avail this benefits.

Conclusion: Staffing of the international organization is probably the most dynamic activity globally. HRP, which is understood as the process of forecasting an international organization's future demand for and supply, of the right type of people in the right number, is closely linked to the business plan of the MNCs. The staffing strategies differ based on the phase in the life cycle of the MNCs . Three common issues most relevant in the context of staffing globally – staffing orientation, managing expatriates and female expatriates. The recent trend in staffing are five: diversity, searching for recruitment sources, background checks, dual career couples and outsourcing.

Thanks: Dr. Shyamal Gomes

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