

Re-engineer International Resourcing

We are becoming increasingly familiar with the changing nature of work and employment relationships. However, the impact on international resourcing is still emerging amongst a great deal of uncertainty and international employers need to prepare.

International resourcing challenges are about managing people involved in increasing varieties of international or cross-border employment. International resourcing is more than just expatriate programme management; the rapidly changing human context of internationalisation also needs to be factored in.

Investment In Human Capital

Human capital is defined by the OECD as “the knowledge, skills and competencies embodied in individuals that facilitate personal, social and economic well-being” and should be a key idea driving effective international resourcing.

What contributes to an individual’s fit to an international assignment is a set of skills that form capital in which employers and employees make a variety of investments. Individuals need to have a variety of characteristics to suit specific cross-border employment scenarios, including those with development potential.

In addition to the technical knowledge and skills related to a job role, an individual will need to demonstrate an ability to operate in an increasingly complex and diverse international workplace and show a high level of cultural literacy, requiring a talent management approach that is able to evaluate an individual’s cultural background and their cultural intelligence.

Weaknesses In International Resourcing

International resourcing is about handling the key challenges facing organisations in building a talent pool of internationally mobile individuals and building the infrastructure to support them.

- How do you attract, recruit, develop and retain talented people to meet immediate and future strategic international objectives and business needs?
- What are the talent management issues that you believe you would have to deal with?

- What would be the key elements of your talent management strategy, and what would you need an employee to do to make it happen?

International talent management is a broader concept than plotting a series of international assignments for young high-potentials.

International assignments have such an impact on an individual’s personal life and career that to only focus on managing them through the process is less than it should be; the assignment should also be an opportunity to ensure these individuals are developed. A place to start is to reflect on some fundamentals:

- a) Do you understand what kind of internationally mobile talent you need?
- b) Do you understand how your talent management practices fit with each other in home and host locations?
- c) Do you know whether your key talent is compatible with your corporate culture in each location?
- d) Do you have a high level of management commitment to developing staff in all locations?
- e) How do you respond to local demands while maintaining a coherent HR strategy and management approach?
- f) How do you make the company more attractive to potential candidates outside their home country?

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Preparation And Planning

International talent management should be a key part of preparing and planning for international assignments. There are many factors to consider including:

- Reasons for employing international workers – e.g. specialist skills, to fill long-term vacancies, developmental assignments, to fill short-term vacancies, unskilled or low-skilled vacancies due to labour shortages, succession planning etc.
- How to identify, recruit, deploy and develop the appropriate talent for those cross-border activities.

There is no one way to approach international talent management. Across industry sectors and sizes of organisation there are differing perspectives on what constitutes talent; some focus on gifted high-flyers and others take a broader perspective. But it usually refers to people who have the potential to make a significant impact. It incorporates areas such as performance management, management development, succession planning, and organisational capability. Many organisations who manage internationally mobile employees lack focus on the international talent aspects.

Key Issues That Limit The Effectiveness Of International Resourcing:

1. Lack of strategic vision

- There is no strategic direction for international resourcing or “set objectives” which support HR and corporate strategy and/or drive cost reduction and service excellence
- The strategic importance of international resourcing and the management of an internationally mobile workforce are often overlooked by organisations.

2. Lack of a coherent operations strategy

- Supply chain (e.g. decisions on sourcing professional expertise and transactional support) is managed on an ad-hoc basis with service and cost consequences
- The interface with other support functions, such as payroll, pensions and share schemes, is fragmented, and savings from tax & social security planning ideas are often not realised
- Organisational arrangements are loose, responsibilities and reporting lines are unclear, and staff often lack skills or training to perform their roles.

3. Lack of performance metrics and monitoring mechanism

- No mechanism for benchmarking cost, quality of service, and effectiveness of compliance of the international resourcing operation.

4. Lack of co-ordination with back-office operations strategy

- While organisations pursue cost reduction through ambitious outsourcing arrangements for their back office operations, they focus on domestic services - ignoring the global needs of international resourcing.

Now more than ever before, the way organisations approach international resourcing is in need of refocusing to:

- Ensure that they maintain their competitive position in international markets
- Leverage off their investments in back office operations
- Build operational resilience to the pace of change.

Re-engineering the international resourcing service will maximise the value it adds to the organisation through the fundamental rethinking and redesign of the service aiming to:

- Achieve improvements in critical performance measures such as cost, quality speed, dependability of the service, and global compliance
- Assist the organisation in developing competitive advantage in global markets by ensuring that talent and man-hours are transferred abroad at optimum cost for the receiving business to remain competitive.

The aim should be to make a significant difference in the cost and quality of the international resourcing. Success would be measured on the basis of measurable, bottom line benefits for the organisation.

Key to the development of a solution is reconciling all the aspects of international resourcing, such as, strategy, policy, tax planning and operations (including employment law, immigration services, HR, and tax planning).

Reconciling the interdependencies between the various aspects can multiply the impact of the improvements in each, for example, cost savings and service improvements will be a multiple of what would have been achieved if each aspect was improved individually.

Approaching international resourcing as a micro – business unit that aims to achieve significant improvement on performance can be supported by the use of a balanced scorecard approach. This is intended to elicit a comprehensive evaluation of the current status of each of the aspects and identify areas for improvement.

Building An International Talent Management System

Building an international talent management system is based on a formal policy that defines the criteria and processes for identifying and retaining talented employees. The Gateley framework for this type of system is based on the following approach:

- **STEP 1** - Define your strategic talent – identify strategic types of expatriate for your organisation. Is it only highly skilled cadres? This can be very sector specific e.g. hospitality and recruitment sectors may be more reliant on low-skilled migrant labour than, say, financial services.
- **STEP 2** - Identify your key drivers for cross-border employment – changing demographics, changing work structures, cross-border differences, changing employer/employee relationships, changing immigration policies, and increasing diversity in the workforce.
- **STEP 3** - Determine your core objectives – attract, develop, retain, mobilise, align with strategy, internal consistencies, cultural embeddedness and ensure a balance of global and local needs.
- **STEP 4** - Design practices and policies that fit your organisation—including workforce differentiation/segmentation,

assessing the suitability of an employee for an assignment and also intercultural training/support, career development planning, global leadership development, international reward planning, performance management appraisal, repatriation and termination planning.

Summary

Outside of the larger multinationals, international resourcing often focuses on expatriate management with no, or very little time devoted to the talent management that actually drives successful assignments.

Why is this? A possible explanation is a lack of capacity or senior buy-in to the strategic role of global mobility. Also, in some industry sectors that are reliant on low-skilled migrant labour, there can be a reluctance to recognise these resources as strategic assets. With the pace of international business transformation continuing to accelerate, a more strategic approach will benefit even the smallest organisation.



STEVE ASHER

Steve has over 25 years' experience of working with a range of organisations and internationally mobile individuals across a number of sectors, advising on cross-border employment including international reward planning, global mobility management models and policies, procedural design and project management.

Leading Gateley's new Global Mobility service, Steve provides forward-thinking business advice on all aspects of international HR, talent management and global mobility strategies alongside the commercial advice that you would expect (tax advisory and compliance, employment law and immigration law). For more information on Gateley's new global mobility offering visit gateleyplc.com/services/global-mobility. Steve Asher, Director
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1. IR Strategy

- Relevance to corporate & HR strategy
- Clarity
- Dissemination
- Effectiveness

2. Policy

- Alignment with IR strategy
- Consistency
- Effectiveness

3. Operations

- Cost effectiveness
- Quality of service
- Integration with back office operations

4. Compliance

- Global status of effectiveness of planning
- New ideas to improve