

## **RECRUITING FROM ABROAD – A BETTER OPTION THAN THE DOMESTIC RECRUITING PROCESS?**

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### **ABSTRACT**

*The companies' need to grow and sometimes even to survive within the present competitive economic and social environment, involves the conjugated action of numerous factors, both internal and external. Amongst them, a key role is played by the human resources, who, putting into action all the operations of a company, represent its most valuable asset.*

*The present paper aims at underlining the specific features of the international human resource management, with focus on the process of recruiting staff from abroad. Thus, it points out the differences between the local and international staffing and emphasises on several aspects of the process: the sources for the international recruiting, the key factors of the process and the major challenges and constraints that may occur whilst searching and selecting personnel from abroad.*

*In order to achieve the pursued goals, there were screened studies and reviews of both Romanian and foreign Human Resource Management specialists, the own contribution of the author being noticed throughout the paper through personal considerations and proposals.*

**KEYWORDS:** *expatriate manager, international recruitment, recruitment source, repatriation assistance*

**JEL CLASSIFICATION:** *J29*

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### **1. INTRODUCTION**

Within the actual more and more becoming global social and economic context, many companies face the challenge of going international or of finding ways of developing their activities locally. On both cases, one of the vital questions to be answered to is the source of selecting the personnel to work within the new unit, with focus on selecting the managerial staff.

During the staffing process, the key role stands in the hands of the Human Resource specialists within the company, who are in charge with the proper carrying in of the entire personnel recruitment, selection and training processes. All the mentioned actions, although difficult even at a local level, become even more burdening when elements from at least two nations interfere. And this is the case when choosing to go for an international recruitment. The complexity of cross borders recruitment and selection processes have raised the interest of many Human Resource specialists, their opinions and recommendations being of use and of wide applicability for the companies going through such processes.

Although partly similar to the domestic Human Resource management, the international approach of the field involves much more quantitative and qualitative factors, all of them with major impact on the future working experience abroad.

Amongst the above factors, there may be considered of great importance the ones related to the adaptability to an unfamiliar environment, as well as the ones concerning the flexibility and empathy for cross-cultural values. An international personnel selection process is of great complexity also because it goes beyond the international manager's own person; it also refers to the expatriate

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manager's family, addressing their need to get accustomed to the new living conditions and overall environment.

## **2. INTERNATIONAL VERSUS DOMESTIC HUMAN RESOURCE MANAGEMENT**

Compared to the domestic Human Resource Management, in charge with organizing and managing personnel of the same nationality, the international approach of the process is concerned with identifying and understanding how multinational companies manage their geographically dispersed workforces in order to leverage their human resources for both local and global competitive advantage (Schuler *et al.*, 2002).

The domestic and international approaches of the Human Resource Management are not totally different; in wide terms, the two concepts imply almost the same activities, with specific differences. However, while the domestic Human Resource Management comprises Human Resource planning and staffing, personnel appraisal and developments for employees (Rotaru & Prodan, 2006) from just one country, the international Human Resource Management deals with three national or country categories (Scullion & Linehan, 2005):

- (a) the parent country, where the firm is usually headquartered;
- (b) the host country, where a subsidiary may be located;
- (c) other countries that may be the source of labour, technology, finance or research and development.

### **2.1. Peculiarities of the international Human Resource Management**

The involvement of two or more countries enhances the complexity of the comprised operations. This feature of the international HR Management is due, according to specialists (Dowling *et al.*, 1999), to six factors:

- (a) a wider range of HR activities,
- (b) the need for a broader perspective,
- (c) more involvement in employees' personal lives,
- (d) responsiveness to changes in staffing requirements as international strategy changes,
- (e) higher risk exposure,
- (f) more external influences.

Due to these factors, all the processes related to the Human Resource Management suffers significant modifications if compared to the same actions performed locally. And the main reason for these differences are the cultural issues, sometimes seen as real cultural barriers between the foreign employees and the local environment. From this point of view, I consider the role of the HR department within a multinational company to be a strategic one, as mainly on it relies the success of choosing a foreign employee: the company achieves its objectives and the international employee gets adapted to the local organizational and cultural environment.

## **3. RECRUITING FROM ABROAD**

### **3.1 Reasons for an international recruitment**

When going international, a company faces the decision about the ways of staffing its operational needs. The decision is not an easy one and must take into analysis several factors of great importance.

First of all, the HR department within the company must clearly define the need and identify its cause: is it a new position or an already existing one that became vacant? If the latter, what are the reasons that generated it? What are the main accountabilities for the vacant position and what is the profile of the ideal candidate the company is looking for?

When starting the recruitment process, there are some main factors to be taken into consideration: the responsibilities of the job and the related skills required, the available labour force, the available

budget and the pursued objective. After a tight analysis, there may be made the decision to search staff outside the borders of the host country. Such decisions must be strongly motivated, one of the reasons being the lack of local candidates with the required educational qualification or working experience.

Another reason for an international choice may be the need for a change in management. In this case, the hiring company may target a certain manager, well known for his previous performances or select from a pool of managers from abroad, usually through head-hunter companies.

According to Kammel and Teichelmann (1994) quoted by Scullion and Linehan (2005), organizations use expatriates for three major reasons:

- (a) transfer of know-how and qualifications because of a temporary lack of local technical skills;
- (b) improving managerial efficiency through enhanced opportunities of exerting influence;
- (c) investment into human capital, which is personal development of the assignees and the organizational workforce.

Regardless the reasons the decision to hire international managers is based on, during the recruitment process there are steps to be followed and key issues to be considered. Therefore, the next sections of the present paper will focus on several topics I consider of major importance during the international recruitment and selection process: the sources for the international recruitment, the key factors of the process, as well as the challenges and constraints that may occur.

### **3.2 International recruitment sources**

Depending on the size and the nature of its activity, one company may decide to hire people from different sources, based on different criteria. From the point of view of the place the potential personnel is located, a company may chose from among three main possible recruitment sources:

- (a) the local labour market,
- (c) the internal recruitment, involving personnel from the mother company, wishing to work abroad,
- (d) the third part countries.

Depending on the category of the targeted positions, there is made the decision about which recruitment source to use. Usually, the problem is not so harsh when hiring execution personnel, but when choosing the appropriate candidates for the managerial positions.

When recruiting managers from the local labour market, the HR specialists must take into account both the strenghts and the threats involved by this option. As main advantages of hiring staff from the local market, there may be noted the familiarity with the local culture and the overall environment, as well as the possibility of saving significant amounts of money from personnel expenses. The local managers are well acquainted with the economic, social and cultural environment of their own country, thus being able to correctly understand any local circumstances and act appropriately. Another advantage of hiring local managers would be the low cost involved, taking into account there is no need for relocation preparation or assistance to the host location, no allowances for the local manager's family and no repatriation costs.

On the other side, recruiting locally may not always be the best option. The local managers may have been trained in organizations with rules and cultural environment totally different from the ones agreed within the employer company, thus leading to a misfit or to an adapting problem of the local manager to the organizational culture.

The second option for recruiting managers resides in choosing from the internal staff pool. The main advantage of internal recruitment consists in the fact that the candidates are well used to the global control and coordination rules within the organization, thus minimizing the risk of not understanding the company's values or not applying properly its own functioning rules.

The third option for recruiting staff is the possibility of selecting personnel from countries other than the host one or the parent company's country. Hiring managers from another third country is a strategy widely used by the companies aiming to become global. The targeted managers are usually the career managers, very well trained, with solid educational background and working experience, capable to make proof of outstanding previous performances. And if the manager was competitive

abroad, it clearly means he/she got accustomed to the foreign environment and there are premises he/she will perform at least the same if requested to have another international managerial mission.

### **3.3 Key issues to be addressed when selecting a foreign manager**

When making the decision of going through the process of recruiting an international manager, the HR specialists consider several issues to be of vital importance. Among these, there may be noted the personal specific features, the overall available budget, also comprising the compensation and benefits programs, the training programs, the relocation and repatriation assistance, as well as the support provided to the manager's family.

As regards the personal specific characteristics, in addition to the requested educational background and the technical and business skills gained through a complex working experience, an international manager is also required to prove cultural sensitivity, interpersonal skills and flexibility (Albrecht, M.H., 2001), abilities that may insure the success within a new cultural environment. An important focus is also set on the capacity and availability of learning foreign languages, especially the language of the host country. International managers are required to prove a positive and very flexible attitude towards new and to manage unfamiliar challenging situations.

Another issue to be taken into account when deciding to hire a foreign manager is to correctly estimate the total costs involved by the relocation. This mainly means to quantify the expat's salary, the compensations, benefits and tax approaches.

The training programs are another important part of the relocation preparation. Even far before, during the selecting interview, there are identified the candidate's main weaknesses and there are created training programs to address them. As per the study made by Tung (1982), there seem to be several categories of training problems:

- (a) general information within seminars or workshops regarding the geographical area, climate, environment and accommodation conditions;
- (b) culture oriented programs for the perception and evaluation of cultural values and norms from the host country;
- (c) cultural assimilation programs, involving the simulation of certain situations in which the international manager might be while in contact with the new cultural environment;
- (d) training courses for learning foreign languages;
- (e) programs for the development of attitude flexibility;
- (f) practical experience programs, realized by making journeys to the host country and making direct contact with the new environment.

These kind of training programs are recommended to take place not only before the departure abroad, but also during the stay in the new country.

There has also been pointed out the importance of training and support during the repatriation process. According to specialists' opinions, many expatriates experience a lack of clarity about their job situation after repatriation: they find themselves with no serious job to do or in a new position with clearly less authority than they had while abroad (Scullion & Linehan, 2005). Continuing, the same opinions suggest the companies should develop better repatriation support practices, which include predeparture career discussions and repatriation job-planning.

The repatriation issues should be carefully taken into consideration by the HR department within a company. Although seen as an ending phase of an expatriate's current international career, I consider the repatriation process may have important effects both on the repatriated manager's future career and on the company's activity. The organization must be fully aware of the advantages of the international working experience brought in by its recently returned manager and should benefit of it. The decision made by some expatriates to leave the company after repatriation, mainly due to troubles in readapting to the country of origin, strongly affects the company, as it loses competent managers, with solid international working experience.

### **3.4 Challenges and constrains when recruiting international managers**

Related to the implementation of global strategies, Scullion and Linehan (2005) debated about the major challenges and constraints occurred during the process of searching adequate international managers. Within this context, they considered issues regarding the development of local managers, the low participation of women in international management, as well as constraints on the supply of international managers due to repatriation problems and barriers to international mobility (Scullion & Linehan, 2005).

The last two issues were widely debated about within the HR literature.

The repatriation of managers was identified as a major problem for multinational companies in Europe and North America (Dowling *et al.*, 1999), being argued that the failure by many firms to address this issue impacts adversely on the supply of international employees (Scullion & Linehan, 2005).

The barriers to international mobility are another threat on the capacity of companies to attract international managers. A comprehensive review made by Scullion (2001) and cited by Scullion and Linehan (2005), indicates that the international mobility has become more problematic in many companies because of factors such as:

- (a) uncertainties associated with re-entry;
- (b) the growing unwillingness to disrupt the kids' education;
- (c) the growing importance of quality-of-life considerations;
- (d) continued uncertainty regarding international terrorism and political unrest.

As it may be noticed, some of the above factors are of objective nature and some are tightly related to the manager itself. It is the Human Resource specialists', as well as the responsible superior manager's role to do all efforts in order to minimize the reluctance or the uncertainties related to an international work mission.

## **4. CONCLUSIONS**

The option to go international is usually taken as a step forward towards the development of a company's activity, aimed at achieving clearly defined goals: increase the market share/ the revenues, improve the operational flow, leading to cost-cuts, dispersion of risks etc. The process must, however, be properly prepared, so that the opportunity brought in through the internationalization strategy should not turn into a threat for the future activity of the company. The success of the process mainly depends on the firm's sense of capability and previous international experience (Schneider & Barsoux, 2003).

The benefits of diversity within a company, mainly achieved through recruiting personnel from an international labour force pool, clearly of vital importance for the organization (e.g. attracting and retaining the best talent available, enhancing creativity, innovation, market understanding and predictability, increasing the organizational flexibility and leading to better decision making processes) may be acquired only if the appropriate staff is being selected. And the selection process is a very complex one: there are certain recruitment sources, there are key factors to be addressed to during the recruitment and the selection activities and most of all, there are specific constraints that, properly identified and dealt with, may always be alleviated or even avoided.

Consequently, the idea I want to stress out is that every single key factor within the international recruiting and selecting process should be properly tackled by the hiring organization, the success of an international recruiting depending on each component of the process.

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