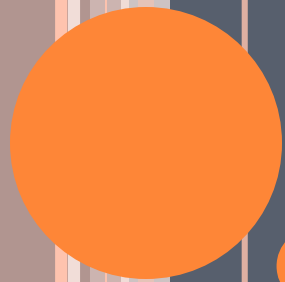




# **INTERNATIONAL HUMAN RESOURCES MANAGEMENT**

**Prof. Andrea Martone**



# HUMAN RESOURCE PLANNING

# SESSION 1

At the end of session 1 students should be able to:

- Understand the key role of planning the workforce and the needed coherence with the planning of other resources;
- Describe the major approaches and related methodologies for planning the workforce;
- Comprehend the elements that influence the choice of the different approaches and the link with the other HRM leverages.



# PLANNING THE WORKFORCE

The Aims:

- Management of turn-over and replacements;
- Management of the individual carrier;
- Definition of personnel Budget;
- Negotiation Tool.



# PLANNING THE WORKFORCE



- Its objective is to establish the need of personnel (generally) for the following year, in both quantitative and qualitative terms.
- The need of personnel is identified according to the goals of the company.
- The need of personnel is identified in coherence with the strategic choices of the company.
- Planning the workforce must be consistent with the planning of other resources of the company.



# PLANNING THE WORKFORCE



The process of planning the workforce is influenced by two major groups of factors:

- External factors coming from the outside environment;
- Internal factors deriving from conditions inside the organisation.

These elements refer to the type of structural choice and power system.



# HR INFORMATION SYSTEM

- It is a data base collecting information usefull for the HR management
- The Information can be classified in two kinds:
  - **QUANTITATIVE**
  - **QUALITATIVE**



# HR INFORMATION SYSTEM

- **QUANTITATIVE INFORMATION :**
  - **Composition of the Staff;**
  - **Absenteism Rate;**
  - **Turn-over;**
  - **Budget.**
- **QUALITATIVE INFORMATION**
  - **Competences**
  - **Expectancies**





The left side of the slide features a series of vertical stripes in shades of brown, tan, and white. To the right of these stripes are several orange circles of varying sizes, arranged in a cluster. The main title is centered on the right side of the slide.

# INTERNATIONAL CONTEST

# APPROACHES TO STAFFING

- Ethnocentric
- Polycentric
  - Regio-centric
- Geocentric




# ETHNOCENTRIC STAFFING

**Ethnocentric staffing**, involves staffing the most important positions in foreign subsidiaries with expatriates from the company's home country.

## ADVANTAGES

- alignment of interests and perspective of the home office with all foreign subsidiaries abroad.
- communication is easier because there should be no language and cultural barriers.
- The company may be able to transfer employees with a clear performance record.

## DISADVANTAGES

- you can lose local perspective and insights that local employees can provide.
  - hiring expatriates tends to be expensive compared to hiring locally.
  - high ratio of expatriates may create local resentment at foreign subsidiaries, which may hurt morale.
- 

# POLYCENTRIC STAFFING

In **polycentric staffing**, a company will hire host-country nationals for top positions. It is particularly feasible in developed countries, such as European countries, Canada, Australia and Japan.

## ADVANTAGES

- HCN are able to better guide the company on local market conditions, politics and laws.
- It sends a message to the country that the company is willing to make a commitment to the country and its people.
- Local employees are cheaper, as there are no relocation expenses and premium compensation for working abroad.

## DISADVANTAGES

- relying on locals means there may be some disconnect in perspective and interests with the home country.
- Locals may put local interests above the company's broader interests.



# REGIOCENTRIC STAFFING

**Regiocentric** staffing is like polycentric staffing in that host-country nationals, however, company offices and facilities are grouped into regions and work as a single unit.

## ADVANTAGES

- The HCN managers have the opportunity to influence decisions and compete for jobs at the regional level.
- The development of a regional approach can help the MNE through the evolution from an ethnocentric or polycentric approach towards a geocentric approach.

## DISADVANTAGES

- It can lead to identification with regional rather than global objectives and may limit the development of a global approach




# GEOCENTRIC STAFFING

**Geocentric** orientation is the one, which is present when an organization treats all foreign workers the same way.

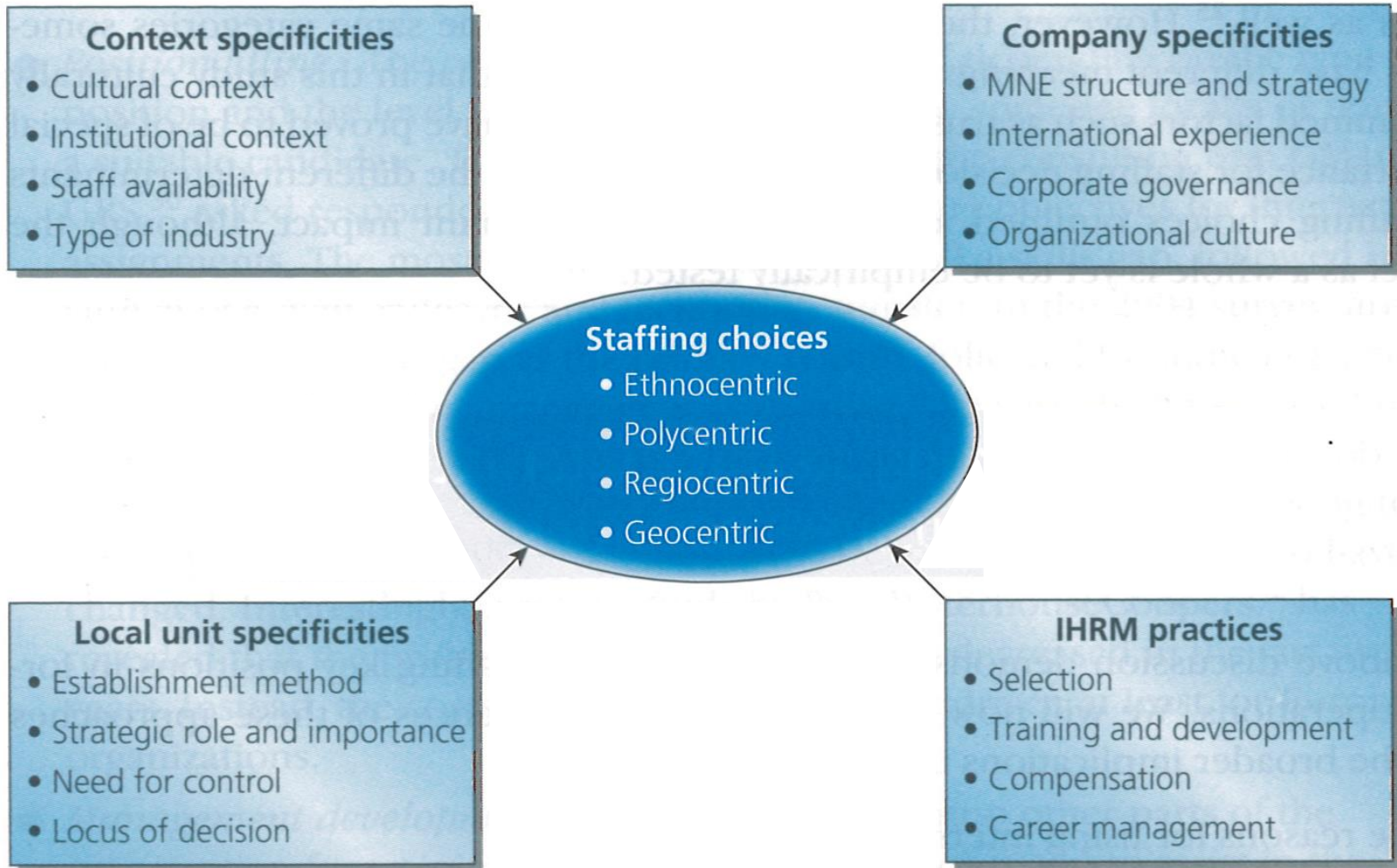
## ADVANTAGES

- It enables a multinational firm to develop a pool of senior international managers (development of a network of persons with international experience and contacts across borders).
- It reduces the tendency of national identification of managers with subsidiary units of the organization.

## DISADVANTAGES

- A successful geocentric staffing policy requires a highly centralized control of the process and a reduced autonomy of subsidiaries.
  - A sophisticated personnel planning system that allows worldwide matching processes between vacant positions and persons with adequate qualification profiles.
  - High costs.
- 

# DETERMINANTS OF STAFF CHOICES





# DIFFERENCES BETWEEN TRADITIONAL AND SHORT TERM ASSIGNMENTS

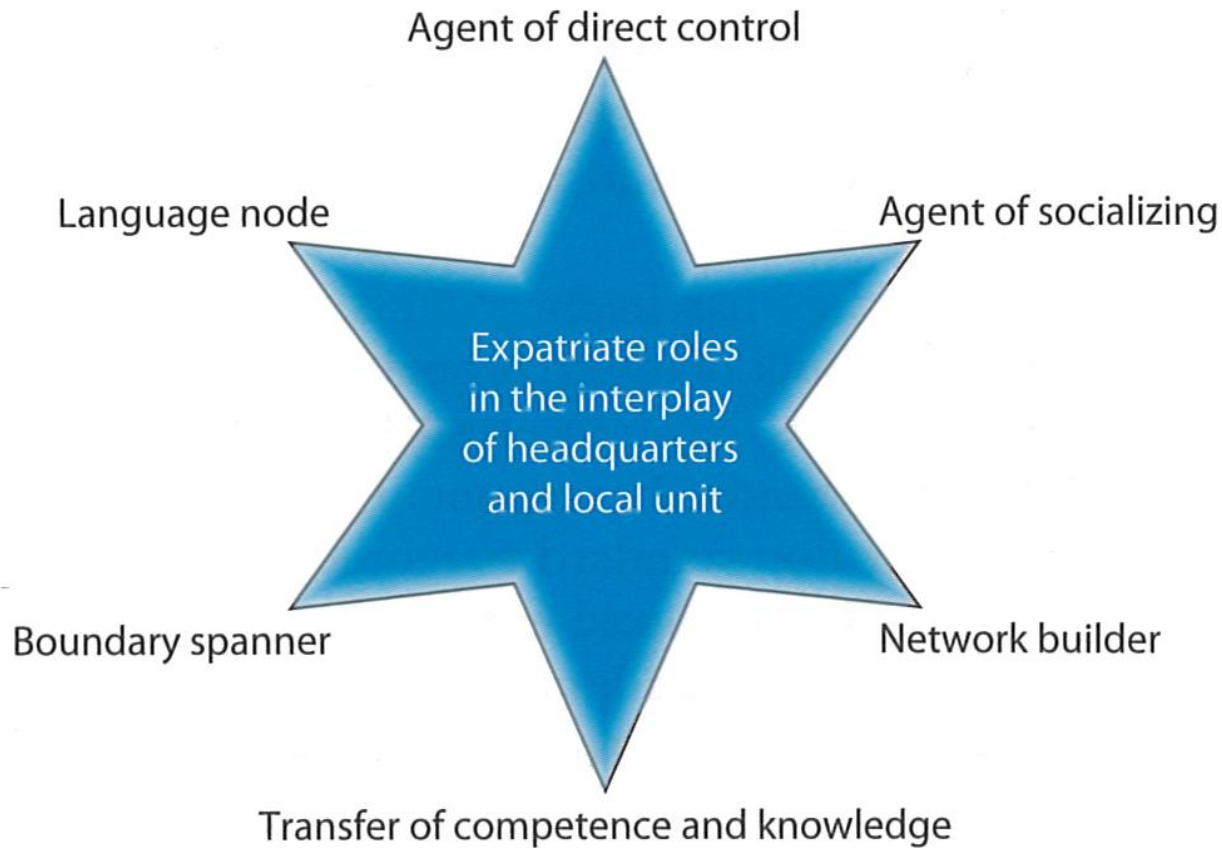
	<i>Traditional assignments</i>	<i>Short-term assignments</i>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Filling positions or skills gaps</li> <li>• Management development</li> <li>• Organizational development</li> </ul>	<ul style="list-style-type: none"> <li>• Skills transfer/problem solving</li> <li>• Management development</li> <li>• Managerial control</li> </ul>
<b>Duration</b>	Typically 12–36 months	Typically up to 6 months or 12 months.
<b>Family's position</b>	Family joins the assignee abroad	Assignee is unaccompanied by the family
<b>Selection</b>	Formal procedures	Mostly informal, little bureaucracy
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Good relationships with colleagues</li> <li>• Constant monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Flexibility</li> <li>• Simplicity</li> <li>• Cost-effectiveness</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• Dual-career considerations</li> <li>• Expensive</li> <li>• Less flexibility</li> </ul>	<ul style="list-style-type: none"> <li>• Taxation</li> <li>• Side-effects (alcoholism, high divorce rate)</li> <li>• Poor relationships with local colleagues</li> <li>• Work permit issues</li> </ul>

Source: Adapted from M. Tahvanainen, D. Welch and V. Worm, 'Implications of Short-term International Assignments', *European Management Journal*, Vol. 23, No. 6 (2005), p. 669.





# THE ROLES OF AN EXPATRIATE



# THE ROLES OF EXPATRIATE

- International travel is an essential component of their work
- Consequently they are stressed:
  - Home and family issues
  - Work arrangement
  - Travel logistics
  - Health concerns
  - Host Culture issues



# THE ROLES OF INPATRIATE

- Inpatriates are “**connecting pins**” between the headquarters and the subsidiaries
- Reasons to hire inpatriates:
  - Create a global core competencies (Think global act local)
  - Create career opportunities for HCN e TCN

