

## International Hiring – Challenges For Indian Corporations

As Indian corporations are expanding into new markets, building and competing on a global scale in industries as diverse as manufacturing or services, there are several challenges they face especially when it comes to staffing their international operations.

1. The profile of the workforce is changing for the Indian corporation. These corporations now operating in a global environment must have the ability to attract the best talent across international markets to remain globally competitive. This means, their HR practices and systems have to be benchmarked with the best in the world.

2. Most multinational corporations have followed a model where Greenfield initiatives in International markets have always been led by their own people, i.e. people within their system seconded to new markets on expatriate status. This strategy will work as a starting point, as one needs to be in sync culturally with the senior management team in their global and regional offices. Similarly, Indian companies, if they have the management bandwidth will do good to depute one of their hi-potential managers to new markets. This is also important to ensure that the organizational values and DNA are inculcated in the new country organization. However, there is a need to build a sound second line operating team comprising local nationals. One can take the learning and experience of multinationals who have adopted such models in the Indian context. Some have got it right while many have floundered due to overemphasis on expatriate talent and have failed to appreciate the local pulse and culture of the marketplace.

3. Different markets function differently and one needs to have a sound understanding of the local nuances in even the so-called simple things like an employment contract! For instance, in markets like the USA, most senior candidates usually consult specialist lawyers to help draft employment contracts with clauses which are usually unacceptable in the Indian context. For example, In Canada it took us almost a month to negotiate and seal such a contract and that too after hours and days of deliberations on several clauses! Whereas in certain markets like Russia candidates tend to change



jobs too often and to our surprise, can come on board almost instantly, reflecting the churn in developing economies. The easier they come, the easier they go!

4. Indian ethnic population is widespread in various parts of the world and at times is a sound strategy to hire local Indians who are culturally in tune with either side. This approach can work well in places like UK, USA or Canada where there is a huge ethnic Indian community. But this being the stated strategy can run you into trouble as these are societies which are essentially built on the tenet of equal opportunity. It is also important that you are not seen as a 'brown office' which will impair the ability to attract local talent in the larger context. Also several countries have specified a percentage cap on expatriate managers and have a rigorous process in place for expatriate manager approvals.

5. As an unknown entity in an alien market the company needs professional support and advice in terms of local practices including various regulatory issues. The problem can be more acute in markets where English is not the main language of business especially in Latin America, parts of Europe or markets like Russia where the regulatory environment and bureaucracy can be stifling. Among other things at the start up stage it is critical that the Indian company has access to sound advice on formulating a hiring strategy for the market, which will be a key factor in determining the success of the enterprise.

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