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Developing & Implementing Effective International HR Strategies

Introduction

The purpose of this report is to provide an insight into current and emerging practice in developing and implementing effective international HR Strategies. A short series of questions were asked of 21 senior HR professionals with global responsibility at the Penna sponsored Strategic HR Network workshop on 6 November 2007. The topical questions focused on the recruitment, retention and cultural challenges facing HR Directors with an international remit.

The statements that gave the strongest results are highlighted in bold. At the end of the report are some case studies of how Penna has worked with organisations to improve aspects of their international HR strategies.

Global HR Strategy

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. We have difficulty implementing an international standardised recruitment and retention strategy	33.3%	38.1%	14.3%	14.3%	
2. Issues arise as a result of a difference in Leadership style from different regions / cultures	9.5%	71.4%	14.3%	4.8%	

Recruiting and retaining key talent is a difficult task for most organisations. It's no surprise therefore that 71.4% have difficulty implementing an international standardised recruitment and retention strategy.

Furthermore, 80.9% of organisations experience issues that arise from a difference in leadership style from different cultures / regions.

"Working for a global partnership, there is a constant debate between senior individuals as to the appropriate direction of the firm. There is much we can learn and should apply from outside our sector to improve our business."

HR Director, Law Firm



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Attraction and recruitment

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
3. Our recruitment strategy and channels differ from country to country	19%	62%	9.5%	9.5%	
4. Our international presence gives us access to a larger talent pool	23.8%	52.4%	14.3%	9.5%	
5. It is difficult to benchmark candidates from different countries		33.3%	19%	42.9%	4.8%

81% of HR Directors surveyed are in agreement that their recruitment strategy and channels differ from country to country. This is why it is so important for global organisations to have a recruitment partner that can manage their whole international recruitment strategy while at the same time taking a country by country approach with local knowledge and consultants.

76.2% of our sample feel that their international presence gives them access to a larger talent pool and 33.3% find it difficult to benchmark candidates from different countries.

“We still have a country/country approach for recruitment and retention programme.” International HR Adviser, Insurance

Organisational culture

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
6. Our employer brand is strong in some locations but needs work in other areas	33.3%	57.1%		4.8%	4.8%
7. It is difficult to find people that are able to adapt quickly to different cultures	14.3%	28.6%	14.3%	38.1%	4.8%
8. We find it difficult to embed corporate values while respecting cultural differences	4.8%	28.6%	28.6%	28.6%	9.5%

An overwhelming 90.4% have a strong employer brand in some locations but it needs work in other areas.

The question around the difficulty in finding people that are able to adapt quickly to different cultures gave a mixed response. As did the question around embedding corporate values while respecting different cultures.

“We are developing a global workforce planning process (resourcing, recruitment, diversity) to address the need for sustainable resourcing in changing business.” HR Director, IT sector





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Engagement and retention

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
9. We find it difficult to create meaning at work for people in different regions / cultures		14.3%	23.8%	52.4%	9.5%
10. We find it difficult to measure and maintain engagement of our global workforce	4.8%	33.3%	14.3%	38.1%	9.5%
11. Retention of staff is a serious concern for my organisation	14.3%	33.3%	23.8%	23.8%	4.8%

Only 14.3% find it difficult to create meaning at work for people in different regions / cultures yet for 47.6% of organisations surveyed, retention of staff is a serious concern.

Our respondents were split over whether they have difficulty measuring and maintaining engagement of their global workforce.

“The key is the CEO and example of top leaders to the motivation and engagement of recruited staff.”

Assessment

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
12. Assessment is an important part of our recruitment process	9.5%	57.1%	9.5%	23.8%	
13. We have an effective cross border assessment process in place		19%	23.8%	42.9%	14.3%
14. We have adopted a multilingual online approach to recruitment and/or assessment		19%	14.3%	42.9%	23.8%

Assessment is an important part of the recruitment process for 66.6% of organisations surveyed but only 19% have a cross border assessment process in place.

Furthermore, 66.1% have yet to adopt a multilingual approach to recruitment and assessment.

With the increase in offshoring to multicultural sites, more and more organisations will have a future requirement to assess multicultural individuals online and on site.





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Summary

The effect of international operations on human resource management is enormous and getting effective international HR strategies in place will make a major contribution to the organisation's international success. There is a vast array of strategic pressures facing global HR functions including:

- Managing an internationally mobile workforce
- Creating core international business processes
- The use of technology to create global consistency
- Maintaining engagement among a global workforce
- Knowledge management – sharing best practice amongst different geographies

There is no one best way to manage international human resource management and each organisation must judge whether to implement standard practices across the world, adapt to suit local conditions or even better - get the right blend of both. Whatever strategy is adopted, for it to work in practice it needs to be communicated and embraced by the whole organisation.

How Penna can help

Penna works with leading organisations achieve bottom line improvement through the performance of their people. We bring together expertise across the entire employment lifecycle:

Recruitment Communications Executive Recruitment Executive Interim

Leadership Development HR Consulting Career Transition

To find out how Penna can help your organisation call +44(0)800 028 1715 or visit www.penna.com



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Case study

Swedish Orphan International Recruiting senior managers in Europe

Swedish Orphan International needed to recruit a number of senior managers to develop their business in Europe. Penna's pan-European team approach and sector expertise ensured successful delivery of the assignment.

Background

Swedish Orphan International (SOI) is the pioneer and the initiator of a Nordic and International network of subsidiary orphan companies. Founded in 1998, SOI has offices in Sweden, Finland, Norway, Denmark, UK, Germany, France, Italy, Spain and Japan, and representative offices in Estonia, Latvia, and Lithuania. Specialising in the development, marketing and distribution of products used for the treatment of rare or life-threatening disorders, where current treatment is either unavailable or unsatisfactory, Swedish Orphan International distributes more than 40 products to over 50 countries around the world.

The requirement

Having identified the potential for developing their business in Europe SOI needed to recruit Senior Managers in Sweden, UK, France, Spain and Italy to achieve this growth. In February 2006, Penna was consulted to support SOI in recruiting these managers. The HR Director knew of Penna as she had been coached by Anna-Karin von Hofsten while she was HRD for her previous company and appreciated the fact that we had an integrated international network, as all managers were to be recruited simultaneously.

SOI relied on Penna for guidance on the local markets. A Key Performance Indicator agreed between Penna and SOI was that Penna supplied SOI with significant market information with regards potential candidate profiles, remuneration and aspirations to best adapt SOI's 'Employee value proposition' to each market.

Our approach

The project started with the search for the Country Managers for the UK, France, Spain and Italy. After the successful recruitment of the Country Managers, we were asked to help them expand the

teams by recruiting Product Managers in Spain and the UK, followed by the search for a Business Development Director, a CFO and a Communications Manager for the HQ in Stockholm.

In each case Penna established an appropriate 'Best Team' comprised of Penna local market consultants and a European coordinator to guarantee synergy and harmonised methodologies across Europe. Market guidance was provided in the form of weekly reports followed by conference calls with both SOI and Penna teams across Europe to update search strategies and comment on progress and market variances.

Penna Consultants were involved in all the first interviews in all geographies. This was essential to ensure quality of feedback and overall management of the process and enabled Penna Consultants to build strong relationships with candidates keeping them motivated through the process.

In parallel to the search projects, Anna-Karin von Hofsten in Penna's Swedish office delivered senior management coaching for several people in the Management team. This included coaching of the CEO and a 360° programme for the Board and the whole management team, spread over the Nordics and Europe.

Results

Penna's matrix organisation and unique Pan-European team approach, with consistent methodologies and sector expertise, enabled Penna consultants in several European countries to successfully partner with SOI. We successfully worked with them to build their new management team with the skills and motivation to achieve the company's challenging growth objectives and provided them with a tailor made coaching and leadership development programme.



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Case study

Xansa

Assessment of employees across the UK and India

Xansa (now part of Steria) wanted to fully understand the potential of its senior management team. Penna carried out e-assessments and feedback interviews for over 600 employees across the UK and India.

The client

Xansa (now part of Steria) is an outsourcing and technology company with ca. 8,000 employees split equally between the UK and India.

The situation

There were a number of issues that needed to be addressed both in the UK and India:

- First line and middle management population included widely varying degrees of understanding, capability and desire to perform the role well
- A need to increase the number of effective Managers rapidly to match targeted growth
- Young population in India with few role models which gave inconsistent management practices
- The term 'Manager' was used in very different contexts across the business such that it was difficult to identify and communicate readily with that group to facilitate communication cascades or briefings
- Approximately 50% of employees in the UK had been brought in from other organisations, through acquisitions and transfers, bringing with them varying degrees of management education and varying ideas of what was an acceptable management practice.

Objective

The objective was to have the right leadership capability in place and to clarify and encourage high and consistent standards across the organisation, to enable the company to achieve the vision and goals.

What Penna did

Penna carried out some visionary stakeholder interviews to understand the direction of the business and how this programme fits in with this vision. We reviewed and re-designed some aspects of their competency framework to make it robust and objective for the purposes of assessment.

Penna designed an online leadership accreditation assessment process against their competencies.

Each manager completed a series of 6 assessments. This was followed up by a two-hour feedback interview. The interview was captured in a succinct developmental report, and then fed back to the HR team and relevant senior manager. Over 600 staff have been assessed already across the UK and India.

Results

Development themes were identified and development programmes are underway. Feedback has been overwhelmingly positive from senior managers and candidates.