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# Misaligned Human Resources: A Fatal Mistake of International Business



# Introduction

Having the right resources is important in any business situation. When there is geographic distance between you and your clients, it is even more important. The importance raises exponentially in an international environment. Differences in legislation, culture, language, and business practice make it even more important to have the right mix of resources.

Unfortunately, this distance also increases the opportunities for resource misalignment. Misalignment is not just a question of having the wrong people in the wrong place (misallocated resources). Misalignment also surfaces from a potential lack of direction, clarity of intent, and an organizational structure that is not fit for purpose, making it difficult for people to stay focused if not making it easier to lose focus altogether.

<u>Unfocused Resources</u>	<u>Misallocated Resources</u>
<ul style="list-style-type: none"><li>• Unclear reporting structure</li><li>• Local leaders have different expectations of their employees</li><li>• Long and drawn approval process across many layers of management and different time zones</li><li>• Local roles and responsibilities not adjusted to local regulation and cultural differences</li></ul>	<ul style="list-style-type: none"><li>• Hiring the wrong employees for international roles</li><li>• Lack of understanding of local education and work standards resulting in hiring underqualified or overqualified employees</li><li>• International programs overseen by people with no international exposure</li><li>• No capacity to process or fulfill orders</li></ul>

Like everything else in business, international success depends on the right people in the right place at the right time. ‘Right’ also needs to be further qualified as having a deep understanding of the local culture and, if relevant, the home culture. You need people in place who can act as bridges between the home business practices and the local business practices. It goes beyond speaking a language; it is understanding how people interact with each other, how they work, and how they conduct business. Depending on the role, you need people who understand the complication of long-distance communication and leadership that understands that they may need a modified management structure and approval process that is fit for purpose to do business internationally and across time zones.

Think of it as if you were building a suspension bridge between the home office and each of the markets where you are selling. You need one pylon of the bridge at the home office and the other in the local markets. Both pylons need to be stable, aligned and able to support their share of the cables that keep the bridge open.

# How to avoid misalignment

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Before you start proactively selling to international markets, you need people who understand - in general terms - how to deal with a different cultures and the issues associated with fulfilling international orders. This should be your first concern once you have made the decision to start selling internationally. Distance in itself requires a review of your communication and approval processes complicated by different time zones and cultures. Ask yourself what emergencies you want your local offices to deal with without disturbing the sleep of the relevant executive at home, and which decisions must be deferred until approval from the home team. Managing at a distance requires a different set of soft skills than managing a local team. You need to make sure that skill set is available to your team (and it would be better to have them within your team).

You need to have ‘bridges’ between the ‘home business culture’ and the ‘local business culture’, and this goes beyond using the same *words* to communicate. It is being able to *actually* communicate effectively. Training should concentrate on awareness of cultural sensitivities, verbal and non-verbal styles of communication, and any problems created by reacting to another culture using the framework of our own culture. In order to be fit for purpose it has to be adjusted to the culture and business practices of the home office and of the local office. You also need clear reporting lines, defined with the distance in mind. Below is our step-by-step guide to how to avoid misalignment in your human resources supporting international sales and operations.

Below we have defined a step-by-step process to avoid misalignment in your human resources for your international sales and operations.

STEP

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**Define the framework you need:** In order to avoid *unfocused resources* you need to (a) establish clear reporting lines and (b) revise your approval/decision making process to take into account the location of your international office. Difference in time zones, working week, and calendar need to be taken into account to design with flexibility. Define what should be ‘paused’ until both sides’ business hours overlap, what can (or must) wait until messages are exchanged and formal approval given, and what should not (or does not need to) wait and should be delegated locally.

When you plan your local office consider the local business culture and educational structure. The same ‘label’ (i.e. title) may imply different things and generate different expectations. Organizational structure, size, pay scales, and career paths all need to be re-evaluated for each local office.



## STEP 2

**Define the personnel you need:** In order to avoid *misallocated resources*, you need people who can work across time zones and can cope with global logistics. You may have to split roles into two, having one resource dealing with 'domestic' markets and one dealing with 'international' markets. Those dealing with international markets must be people who are not reluctant to do whatever it takes to overcome a language or cultural barrier in an understanding and non-conflictual way. When you staff the local office do not try to duplicate your home office unnecessarily. Take into account local education and work standards to avoid hiring underqualified or overqualified people. Consider local culture when defining authorities and lines of reporting. Be aware when you introduce 'home' standards. This is not necessarily a bad thing, but it must be done tactfully.

Last but not least, international business is a mindset. Do not assume that people can be successful in an international role because they have been successful in a similar domestic one.

## STEP 3

**Do not spread yourself too thin:** Take on one new market at a time to gain better understanding of how you can support local resources to grow the market locally and gain a deeper understanding of how the home team can support the local office. Give each new market the time and attention it deserves to be successfully, learn from your mistakes, and adapt when entering the next market.

## STEP 4

**Train generously and hire slowly:** Your existing staff need all the support they can get to move from a domestic to an international role. When you hire new resources make sure you have input from the local team and from the home office (if relevant). You need to create a bridge between the home office and the local market. That takes time. Understand the process and the legislation behind hiring people in the local market. Clarify how the interaction between home and local office works in the hiring process, who needs to give feedback and who needs to approve, both to build the local team and to select those who will deal with the local market from the home office. Train people in verbal and non-verbal communication, cultural sensitivities, and in long-distance communication.