Abstract— In U.S.A. the propensity to observe U.S. companies growth in developing and emerging markets is the norm. What goes less noticed is the march of India and Argentina companies expanding across the world? The foreign multinational acceleration is fast catching up to the proliferation of American companies conducting business across the globe. From Asia, the Japanese companies accelerated global expansion in the 1980s, the Korean companies in the 1990s, the Indian companies in the 2000s and, increasingly, Chinese giants looking to build a global footprint. In this article, we look at the challenges faced by the multinational corporations in attracting and retaining a top-level senior team in different parts of the world from their home region.

I. INTRODUCTION

Globalization implies accepting that cultural diversity in management composition and management style contributes to the competitive advantage of the global agency. Also, effective globalization calls for the pursuit of a number of management approaches that, on paper, may seem contradictory, but that can truly be effective only through their simultaneous and balanced application. Global human resource management provides an organized framework for developing and managing people who are comfortable with the strategic and operational paradoxes embedded in global organizations and who are capable of managing cultural diversity.2

To develop and manage a global organization implies developing and managing people who can think, lead, and act from a global perspective, and who must possess a global mind as well as global skills. Not one, two, or a dozen international specialists, but a multitude of executives, managers, and professionals are needed to form the core of a global agency.3 The process of globalization requires a progressive transformation of thinking about the role and tools of human resource management in the public sector. The argument proposed is that human resource management can and should make a contribution to the competitive strategy of a global village.

Operating Process and Procedures

A market leader, especially from Asia and Europe comes to America to open new markets and compete on the larger stage. This same phenomenon occurs with Asian companies going to Europe, European companies going to Asia and Western companies expanding in established and emerging global markets. Argentina companies lag the other regions in his expansion, but Argentina certainly plays a significant role in the overall global market. The multi-national sends trusted executives from their home operations—as part of their Professional development—to head up overseas outposts. Asian, European, and Argentina executives are often paid less than comparable executives in the new country, and, restricted by home country pay scales, they are unable to hire talented managers to work for the organization. As a result, they create a team made up of near to skilled people, which then underperforms relative to the skilled people team competition. In addition, the senior executive usually does not understand the local market in detail, and performance deteriorates further. Just as he (almost always he) is getting a grip on the local market, his tour of duty ends, and a new executive is rotated in, who makes the same mistakes.

Lack of Planning

In corporate life as in sports, you do not need a star player in every position to build a winning team, but you do need top talent in key roles. By performing a thorough market assessment in advance of setting up shop overseas—in other words, by doing your due diligence and homework first—multi-national companies can identify the roles most critical to the success of the business and invest in Skilled people for those positions. Having the right plan in place—and more significantly the right team to execute it—can increase the chances of global success.

Building the skilled player Team

Many companies, for example, need little more than an Skilled sales force management team to keep pace with the global competition. Others require a different lineup or a broader bench of talent. Businesses that will be subject to stringent regulation (defense, media, renewables, food and beverage, etc.) will need Skilled type regulatory people: lawyers, lobbyists, insiders, etc. Those industries that compete on innovation—pharmaceuticals, biotechnology or software and consumer packaged goods and durables, for instance—will need Skilled research and development and commercial sales & marketing teams in order to have any shot at all at the big league stakes. Likewise, in most industries, even investment banking, the company probably will need at least one local rainmaker on the team just to gain entry to the game. There are many varying degrees and extremes, for example a highly connected and effective rainmaker in Europe or in the United States will be expensive—outrageously so to many Asians’ eyes—but the returns in new business opportunities that such an individual will produce are likely to more than justify the initial investment.
Multi-national organizations that look to acquire companies overseas for market entry should consider conducting leadership due diligence. A thorough assessment of executive capabilities (by a third party) will enable them to build a shadow team (at least for critical roles) that includes a mix of talent from both organizations. This shadow team should be approved by the board and will ensure that an Skilled player team is in place to run the company from day one post-acquisition.

Management Style and Cultural Fit

Management style the world over reflects cultural differences, and the multi-national corporations must be aware of its own style and hire executives who are a cultural fit. For example, Chinese companies have a consensual and less pressured style of running a company, which usually sits better with European executives than with American ones. Indian companies tend to be more conflict-oriented. Taiwanese companies are pragmatic and are prepared to act fast but lack forward planning and a road map. Argentine companies tend to be situated between the Asian propensity and the American propensity, but the leadership personalities are more emotional and passionate. Japanese, Korean and Chinese companies all prefer to debate in private, find points of agreement and focus on saving face rather than having open debate. They place high value on relationships and may be less openly competitive. Most Asian companies are very hierarchical and centralized, with strong managerial and financial control from the center, which can rile senior executives in Europe and America who are used to significantly more empowerment. Asian companies typically have a longer-term view that executives can learn to appreciate but which initially may frustrate those coming from a more short-term, bottom line-oriented Western company. In our view, and that of many executives in Argentina, one of the main factors restricting the overseas growth of many Argentina businesses is a shortage of managers who can work effectively abroad. An even bigger challenge of globalization is the increasing pressure on multinational companies to become “local.”

In Argentina, there a strong history of developing world-class engineers and managers, and Latam does have an adequate pool of talented people for the international market. Once hired, young managers typically go through a long process of in-house development before occupying important positions. But as companies become more international and the need for experienced executives grows, this development routine breaks down, stymied by the indifference of many Argentina executives to overseas assignments. In countries such as Chile, and to a lesser extent Brazil, these executives tend to put family and friends ahead of successful global careers.

Many Argentine companies are—or started out as—family-owned businesses, which have trouble attracting mid- and high-level executives. These enterprises have a number of advantages, such as the ability to take a longer-term view of investments than their publicly held counterparts often will. But there are also limitations. Our experience working in the region shows that some family businesses have evolved corporate cultures where informal networks are more valued than formal processes, direct hires from other companies tend not to be successful, and top managers are often appointed based on a long history with the owning family. There’s another issue that crops up even if a company can find people willing to work abroad: some potential managers are put off by

Branding and the Employee Value Proposition

Many multi-national companies are accustomed to attracting the very best in their home countries, but they have a much weaker employee value proposition in the global marketplace. Attracting Skilled players often is a challenge for multi-national companies as the brand may not be well-known in other parts of the world. One way to overcome this is to hire a leader with “star power” who has the ability to attract others to the company’s brand. However, the company first has to have the humility and appreciation to understand that its brand lacks the same pulling power internationally as domestically and then has to invest in a high-profile executive to run the show. Another option is to hire someone with his own strong international network from which to draw. For example, some multi-national companies have recruited CEOs from world-renowned companies to their boards to help attract senior talent to the team.

Having strong local players can make a firm more competitive globally; however, hiring the best without giving them the authority and resources to execute the business plan is a waste of effort and will result only in high rates of executive turnover.

Invest in People

The other important element relating to processes is global human resources management—companies should use the same criteria (even forms), processes and schedules across the globe. For example, all the top 400 executives should know that in November and May, no matter where they are based, they will get a formal assessment and face-to-face accountability review. All executives should feel they are being fairly and appropriately managed.
the fact that many of the bigger Argentina companies with
global aspirations are in basic materials—a sector that is
considered, rightly or wrongly, not to be very glamorous
and that has few well-known brands.

Building a Global Culture

In various parts of world, companies are successful as part
of an ecosystem made up of the government and other
companies (suppliers and distributors), as well as the local
market situation. This allows them to be successful despite a
relative lack of management sophistication and without
best-in-class business processes. But once they leave the
comfort of this ecosystem, life becomes much tougher. The
most successful multi-nationals have actively sought to
build a global culture, including at home at the global
headquarters. In Asia, this starts with the obvious—using
English as the working language so that executives from
Europe and the United States can fully participate in
management discussions. But beyond that, it includes
building a non-hierarchical decision-making process, with
flexibility in working hours, and, increasingly, locating
members of the leadership team in multiple locations around
the world rather than having all the executives co-located at
the global headquarters. Hiring the best talent regardless of
location is something with which Western and Latin
American companies still struggle, but the Asian and
European companies seem to be grasping this early and
were are seeing the results speak for themselves.

In the words of one multinational CEO: “Global leaders
must speak English, use best practice business processes, be
culturally sensitive and curious about other cultures, and
know how to use their influencing skills across cultures”.

Conclusion

The challenge of establishing successful operations in
foreign countries is hardly unique to and region of multi-
nationals. Any expansion into a new market requires a
bridging of cultural and operational gulfs, and many
businesses have difficulty doing it well. In summary, if a
company is to truly build an Skilled player team globally, a
complete rollout program—that encompasses everything
from basic due diligence and fundamental human resources
processes to more subtle and sophisticated ways of
localizing operations in the interest of preventing cultural
missteps that can thwart successfully going global—is
required. Those firms that have figured this out are not only
doing well in the global marketplace but also are benefiting
from having the Skilled player team’s leverage across the world.

Global companies should consider devoting more resources
and senior-management time to liberating talent “trapped”
in national silos and more wholeheartedly supporting
global-mobility programs. Instilling a common set of talent
evaluation processes throughout the world—especially
standardized individual performance evaluations—will
underpin this effort and build the confidence of managers

Reference
1. Adler, R.B., Rosenfield, L.B., and Towne, N. Interplay:
The Process of Interpersonal Communication.
2. Alagna, S., Reddy, D., and Collins, D. Perceptions of
functioning in mixed-sex and male medical
training groups. Journal of Medical Education, 57 (1982),
801-803.
management in information systems
4. Blakar, R. Communication: A Social Perspective on
Clinical Issues. New York: Columbia University
5. Blau, P.M. Inequality and Heterogeneity. New York: Free
6. Brennan, S. The grounding problem in conversations with
and through computers. In S.ussell and R.
Kreuz (eds.), Social and Cognitive Approaches to
Interpersonal Communication. Hilldale, NJ:
alternative conceptualizations of functional diversity
in management teams: process and performance effects.
Academy of Management Journal, 45 (2002),
875-893.
8. Byrne, D. The Attraction Paradigm. NY: Academic Press,
1971.9. Campbell, D. Task complexity: a review and

BIOGRAPHY
J. Neelakanta Gugesh, M.Tech, M.B.A, PMP, SSBB is a
research scholar in Management from Sathyabama deemed
university. Gugesh has over all 18 years of industry
experience. Gugesh is heading QA and Performance
Engineering in an American based multinational company,
Prior to that, Gugesh was working as Senior Manager in
Cognizant Technologies, Prior to that, Gugesh has been
working as Senior Project Manager for Verizon Data
Services India Pvt Ltd since October 1, 2007. Gugesh is a
member of PMI, Pennsylvania and a PMI certified Project
Management professional. Gugesh has also attained Six
Sigma Black Belt certificate.