

The four international human resource mistakes



To begin with, it is necessary that Mr. Fisher was attempting to expand his business abroad by taking part in European market if he has a desire to grow his company into a big multinational company. Nevertheless, when operating business in Europe, Fisher's company faced with some challenges and he has made four international HR mistakes. The first mistake is the limited scale of recruitment methods. Fisher decided to open an operation in Europe and advertised to find a local sales manager; however, the way of advertising has restricted in one means of communication - the Internet. He put a recruiting advertisement only in the International Herald Tribune and did not take full advantage of any other media as a source of finding employees.

The second mistake is having an inaccurate evaluation about abilities and skills of indigenous businesspeople. Fisher usually thinks that local people have enough specific knowledge and experience to work for a multinational company. Therefore, the company's traditional method in recruiting is always the same: hire a regional sales manager. Unfortunately, in a new market, when Fisher advertised to hire a manager in the Internet, he so far has received five applications. One of them came from a possibly viable candidate while other applicants did not have any working experience and seem to have spent most their time traveling from country to country.

The third mistake is compensation package problem. To run the European operations, Fisher transfer two US sales managers to work in Europe but he did not pay attention to work out a compensation package which would clear off their living expenses in Germany and Belgium because the living standard in Europe are higher than one in the United States. Hence, after

several months, Fisher was informed that his sales managers owed thousands of dollars in Belgian taxes.

The fourth mistake of his international human resource is the shortage of knowledge about local employees' rights. Due to the bad performance of the staff in the two distribution centers, Fisher decided to dismiss about half of the employees. Nevertheless, because all his employees had written employment agreements and he can not fire anyone at least one year's notice; moreover, Fisher also did not learn about the labor law in Europe when he want to run the European operations. Therefore, that Fisher fired the distribution workers violated the law of local authorities.

2. 2. The solution of HR mistakes

The four mistakes of Fisher's international human resource caused the unsmooth expansion in Europe. If I were in Mr. Fisher's position, I would modify the whole international human resources structure because human resource is a cardinal factor that could be a competitive advantage for the long-term development and reputation of Fisher's company (De Cenzo & Robbins, 1999). In my oppinon, at the beginning of his extension into Europe, to engage new sales managers and staff for European firm, I would firstly pay more attention on the recruitment process to guarantee the employees' quality. That is, I would use the diversity of new recruitment methods apart from online recruiting such as internal job postings; newspapers, radio, television and trade magazine advertisements; college campus interviews; job centers and recruitment agencies. Therefore, that advertising in different means of communications would help the company receive more application letters than advertising only in the Internet.

On the other hand, from my point of view, before advertising to find a new manager, I would look for the statistics or information carefully about European businesspeople and expatriates. Moreover, if I wanted to seek the local skilled managers, I could spend time to find the potential ones at college campuses or can set up the internal training courses to enhance employees' capacities and skills.

Additionally, as the increasingly importance of competent local managers and staff, the right thing I am likely to do is to concern about the compensation and benefits mechanism because the related consequence for the low encouraged pay system is an increasing number of the experienced staff's job dissatisfaction. Thus, when alienating US sales managers to run the European operations, I would be best to give a compensation package - the increase in salary, bonus, fringe benefits and paid leave - for the managers to cover their high expenditure in German and Belgium. To illustrate, in China, according to a survey of Watson Wyatt, the primary reason for local Chinese skilled staff leaving their current company is unperfect salary incentives (Leininger, 2004). Therefore, the foreign multinational companies always care about the pay package rate when they try to set up a subsidiary in Chinese market.

Furthermore, if I were Mr. Fisher, I had better learn the fundamental of labor law and local government policies to keep a good relationship with European authorities since local authorities play an important and remarkable role in European business and business procedures, recruitment and the sack are restricted by government laws and regulations.

3. Conclusion

In conclusion, there are numerous difficulties that Fisher's multinational company has met with when establishing its oversea operation, into Europe, especially having challenges in his problematic international human resource activities. Mr. Fisher has made four human resource mistakes, that is, limited recruitment method, inaccurate judgement about qualities and skills of local staff, compensation package's problem and lack of European employees' rights knowledge. Therefore, Fisher should realize the human resource problems and introduce the solutions and employee retention strategies, using a variety of mass media for recruiting advertisement; searching employees' information, establishing the training courses; giving pay package incentives and learning about European labor laws in order to run European firm effectively.

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