Growing pains in fast expanding companies

26–29 October 2014
Growing pains in fast emerging companies
Global expansion yesterday

Growing pains in fast emerging companies

Globalization
Highest quality product/service, to
Most profitable worldwide markets, at
Lowest cost, under
Changing market, competitive, regulatory conditions, through
Sourcing raw materials, technology, capital, and talent
Global expansion today

Globalization 2.0
More competitors, in
More markets, under
More pressure, to produce
Faster results, with
Fewer resources and more limited talent pools

Growing pains in fast emerging companies
Traditional solutions are increasingly unsuitable in today’s context

Yesterday
► Large companies
► Well known brands
► Big world
► Small data
► Modest expectations
► Willing employees

Today
► Small, medium and large
► Lesser known brands
► Small world
► Big data
► High expectations
► Demanding employees
New approaches are required

Five keys to better, faster global expansion

- Improve leader pipeline
- Manage immigration & taxes
- Align HR as strategic partner
- Balance global and local
- Leverage cultural differences

Growing pains in fast emerging companies
1. Improve leader pipeline

Case example

Problem: Unable to find candidates

Solution: Integrated approach

Data: Multiple sources

Success: Combined “push and pull”

Growing pains in fast emerging companies
1. Improve leader pipeline

Different focus at different levels

- Talent risk management
- Tomorrow’s leaders
- Emerging talent
- The “Top Team”

- Top team effectiveness
- Growth acceleration
- Identification and development
1. Improve leader pipeline

Different profiles for different challenges

- Shipbuilder
- Explorer
- Captain
- Navigator

Strategy: Growth
Return: Execution
2. Balance global and local

- **Global consistency (control)**
  - Controlled
  - Reconciled

- **Local adaptability (efficiency)**
  - Undirected
  - Independent

Growing pains in fast emerging companies
3. Manage immigration and taxes

Challenges in the Developed World

- Socio-political environment
- Regulatory and compliance complexity
- Economic policy

Growing pains in fast emerging companies
Recent developments increasing immigration complexity

- Tax Information is increasingly part of the work visa application and renewal requirements
- Increasing justifications for foreign hires
- Addition of exit clearance requirements
- Countries are increasingly improving immigration record keeping and data matching programs

Result: Companies are increasingly challenged in driving fast growth where many of these additional requirements demand an on-the-ground presence or specific location
3. Manage immigration and taxes

**Challenges in the developing world**

- Disseminated administration
- Less developed legislative system
- Insufficient judicial precedence
- Risk of unknown

Growing pains in fast emerging companies
Importance of compliance

What?
► Avoid administrative sanctions
► Avoid financial penalties
► Protect personnel from prosecution
► Ensure client and customer confidence in your company

How?
► Ensure all employees are aware of the requirements: travellers, recruiters, and contracting teams
► Create a policy and training/communication plan
► Ensure senior management awareness and support on compliance
► Make sure costs and timeline are built into the bid/plan/results timeline
► Manage data (establish database and reporting mechanism)
4. Leverage cultural differences

Model of national culture

- Equal or unequal?
- Rigid or flexible?
- Alone or together?
- Tough or tender?
- Today or tomorrow?

- Power distance
- Uncertainty avoidance
- Individualism–collectivism
- Masculinity–femininity
- Confucian dynamism

Growing pains in fast emerging companies
4. Leverage cultural differences

Dealing with national culture

1. Create awareness
2. Cultivate understanding
3. Choose the right balance
4. Collaborate on solutions
5. Celebrate successes

Growing pains in fast emerging companies
5. Align HR as strategic partner

Match the HR set-up to the needs of the business

- **Small or start-up countries**
  - **Minimum** (Basic working elements)

- **Medium or transition countries (Integration)**
  - **Medium** (Corporate standard processes)

- **High** (Complex HRM)
  - Integrated subsidiaries with an important number of resources that need a high complexity level of resources management.

**Development level**

Growing pains in fast emerging companies
5. Align HR as strategic partner

<table>
<thead>
<tr>
<th>Minimum Integration</th>
<th>Medium Integration</th>
<th>High Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic HRM</strong></td>
<td><strong>Standard HRM</strong></td>
<td><strong>Complex HRM</strong></td>
</tr>
<tr>
<td>Labour framework</td>
<td>Staff planning</td>
<td>Talent pipeline management</td>
</tr>
<tr>
<td>Compensation framework</td>
<td>Career management</td>
<td>HR metrics</td>
</tr>
<tr>
<td>Sourcing and recruiting</td>
<td>Compensation Model</td>
<td>Dashboard analysis</td>
</tr>
<tr>
<td>Personnel administration</td>
<td>Training plan</td>
<td>Resources management</td>
</tr>
<tr>
<td>Database maintenance</td>
<td>Resource management</td>
<td>Delivery model</td>
</tr>
</tbody>
</table>

Growing pains in fast emerging companies
Global expansion tomorrow?

Globalization 3.0?

Growing pains in fast emerging companies
Discussion

► Any questions or observations?