



# International Human Resource Management (IHRM)

# HRM in International Business

- • Multinational operations across regions increase complexity
- • Policy implementation and control are more difficult
- • Managers must adapt to different cultures

# Key Issues in International HRM

- • International HR policies and management approaches
- • Selection of qualified managers for overseas assignments
- • Attractive compensation and benefits

# Key Factors in International HRM

- • Employees - Availability of qualified personnel
- • Management Factors - Strategy alignment
- • Laws - Labor regulations in host countries
- • Culture - Behavioral differences

# Staffing Approaches

- • Parent-Country Nationals (PCN)
- • Host-Country Nationals (HCN)
- • Third-Country Nationals (TCN)
- • Impatriates

# Parent-Country Nationals (PCN)

- Advantages:
  - • Strong HQ policy understanding
  - • Easier control
- Disadvantages:
  - • High cost
  - • Cultural adjustment challenges

# Host-Country Nationals (HCN)

- Advantages:
  - • Familiar with local environment
  - • Lower cost
- Disadvantages:
  - • Possible lack of advanced expertise
  - • Difficult HQ control

# Third-Country Nationals (TCN)

- Advantages:
  - • Cost-effective
  - • Neutral mediator
- Disadvantages:
  - • Language barriers
  - • Political sensitivity

# Impatriates

- Advantages:
  - Promote global integration
- Disadvantages:
  - Resistance from HQ staff
  - Adjustment period required

# Selection Criteria for International Managers

- • Adaptability
- • Self-reliance
- • Experience
- • Education
- • Diplomatic skills
- • Language skills

# Preparing for Overseas Assignment

- • Cultural training
- • Language preparation
- • Understanding job responsibilities
- • Country-specific information

# International Compensation

- • Salary
- • Incentives (allowances, bonuses)
- • Equalization benefits (housing, tax, education)

# Adjustment Process

- • Anticipatory adjustment (before departure)
- • In-country adjustment (after arrival)

# Causes of Assignment Failure

- • Cultural differences
- • Poor selection
- • Family adjustment issues
- • Lack of preparation