

His performance reviews, with respect to both the Malaysia plant and other TCT plant operations around the world, have consistently been positive, with an occasional ranking of excellent. Seng is unmarried, but he is close to extended family members who live in Singapore and Malaysia.

**Saumitra Chakraborty** At 31, Chakraborty is the assistant to the departing managing director in India. He has held that position since joining TCT upon graduating from a small private university in Europe four years earlier. Unmarried, he consistently earns a job performance rating of competent in operational matters and excellent in customer relationship management. Although he excels in employee relations, he lacks direct-line experience. Still, he has successfully increased TCT India's sales, somewhat owing to his personal connections with prominent Indian families and government officials, along with his skillfulness in the ways of the Indian business environment. Besides speaking India's main languages of English and Hindi fluently, Chakraborty speaks Kannada (the local language of Bengaluru). ■

## QUESTIONS

1. Which candidate should the committee nominate for the assignment? Why?
2. What challenges might each candidate encounter in the position?
3. How might TCT go about minimizing the challenges facing each candidate?
4. Should TCT offer all candidates the same compensation package? If not, what factors should influence the features of each package?
5. Returning to material covered in Chapter 15, specifically that dealing with the idea of a matrix organization, do you see any benefit to appointing two of the individuals described here to the post? Operationally, one individual would be in charge of internal affairs, and the other would manage external affairs. What might be the benefits and problems with this arrangement?

## SUMMARY

- HRM policies that support the company strategy create superior value. Still, many MNEs struggle to develop effective HRM policies.
- HRM's task is to staff the right person in the right job in the right place at the right time for the right salary.
- Executives in the MNE belong to one of three classes: locals, citizens of the countries in which they are working, or expatriates.
- Three frameworks guide how companies set about staffing their international operations: the ethnocentric, polycentric, and geocentric frameworks.
- Changing markets, growing cost consciousness, and evolving strategies are resetting established notions of who is an expatriate, how he or she should be compensated, and the duration of an international assignment.
- An ethnocentric staffing approach fills foreign management positions with home-country nationals. A polycentric staffing policy uses host-country nationals to manage local subsidiaries. A geocentric staffing policy seeks the best people for key jobs throughout the organization, regardless of nationality.
- Training and predeparture preparations often include general country orientation, cultural sensitivity, and practical training.
- MNEs transfer people abroad to infuse technical competence and home-country business practices, control foreign operations, develop managers' business skills, and diffuse the organization culture.
- The selection of an individual for an expatriate position considers the candidate's technical competence, adaptiveness, and leadership ability.
- MNEs often employ more locals than expatriate managers because the former better understand local operations and demand less compensation.
- Hiring locals rather than expatriates demonstrates that opportunities are available for local citizens, shows consideration for local interests, and is far cheaper.
- Executives transferred from headquarters to local operations are more likely to understand the company's core competencies. However, an ethnocentric framework can result in a narrow perspective in foreign markets.