

The Issue

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Talent Acquisition Strategies for International Companies

Using RPO's to drive efficient recruiting

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The old adage that “people make the business” is an axiom for international businesses setting up foreign offices. Particularly in the case of international companies setting up foreign offices, the need for trustworthy employees is crucial. Foreign offices often operate with little support (training, administrative, a formal office setting, etc.) and oversight (supervision ensuring employees are showing up, working diligently and providing maximum effort), making imperative the competency and integrity of those employees hired in the foreign office.

While many foreign companies choose to relocate an employee from within the company to be the first employee, all companies ultimately have to constitute, or re-constitute, a reliable and efficient talent acquisition process that attracts the right people at the right time.

Talent acquisition typically starts with a conversation with the human resources leadership in the home country office and the hiring managers to:

- Understand and adapt existing hiring practices to laws and practices in the U.S.
- Understand and adapt existing hiring practices to the local competitive environment in the U.S.

Adapting hiring practices to laws and practices in the U.S.

There are a host of potential hiring laws to consider when bringing on a new employee, but here are the most common hiring laws that employers can run afoul of:

- Title VII of the Civil Rights Act of 1964 (Title VII), which prohibits employment discrimination based on race, color, religion, sex, or national origin
- The Equal Pay Act of 1963 (EPA), which protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination
- The Age Discrimination in Employment Act of 1967 (ADEA), which protects individuals who are 40 years of age or older
- Title I and Title V of the Americans with Disabilities Act of 1990, as amended (ADA), which prohibit employment discrimination against qualified individuals with disabilities in the private sector, and in state and local governments
- The Civil Rights Act of 1991, which, among other things, provides monetary damages in cases of intentional employment discrimination
- Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employment discrimination based on genetic information about an applicant, employee, or former employee

In addition, the IRS has many laws and regulations that employers must follow, such as reporting wages paid and taxes withheld for each employee, that affect the cost of talent. In addition, some laws differ from one city and state to another, which makes the cost of employment different for different cities and states. Finally, federal law requires employers to verify an employee's eligibility to work in the United States.

Here are some of the frequently asked questions:

1. Should I have the new employee sign an employment contract?
2. Should I have the new employee sign a non-compete agreement?
3. Should I have the new employee sign a confidentiality agreement?
4. Are there any special rules I need to consider when hiring foreign worker?
5. Are there any special rules I need to consider when hiring an independent contractor?
6. Are there any special rules I need to consider when hiring teens/students/children or interns
7. Can I run a credit check on a potential new employee?
8. Can I run background checks on a potential new employee such as criminal records, lie detector tests, medical records, bankruptcies, workers' compensation records, school records and military service records?

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Adapt existing hiring practices to the local competitive environment in the U.S.

Foreign companies entering the U.S. market are oftentimes surprised by the size and complexity of the U.S. employment market. Or said differently, the U.S. employment market is actually a sum of sub employment markets. San Francisco is different than New York, which is different than Boston, which is different than Atlanta... Successful talent acquisition strategies consider the demand and supply of talent in each of the sub-employment markets that hiring is anticipated.

For foreign companies anticipating hiring across multiple functions such as sales, marketing, engineering, finance and administration as well as different levels of accomplishment, hiring can be even more vexing as the demand and supply characteristics can be different for each function.

Many talent acquisition strategies, that are successful for one location or functional position, are discovered to be unsuccessful for another location or functional position after months of effort and lost recruiting dollars. Successful talent acquisition strategies embrace local employment market knowledge across functional positions and the entire U.S.

Here are some of the frequently asked questions:

1. How can I get relevant compensation information for employment sub-markets?
2. How can I get relevant information on providing competitive health insurance benefits?
3. What do employees typically contribute towards their health insurance benefits? Is it different for employee only, employee plus spouse or family coverage?
4. What do employees typically expect for paid time off (e.g. vacation, sick pay, bereavement, etc)?
5. What is acceptable notice when terminating?
6. What is acceptable severance?
7. What should be addressed in the offer letter?
8. What should not be addressed in the offer letter?

Many foreign companies utilize Recruitment Process Outsourcing (RPO), which refers to the process by which a company outsources part or all of its recruitment functions. This can include job postings, sourcing, screening, interview scheduling and logistics, offer execution, compliance

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reporting and HRIS (human resources information systems) data entry. It is important to note the distinction between RPO and Human Resources Outsourcing (HRO). While both fall under the Business Process Outsourcing (BPO) umbrella, HRO refers to the outsourcing of certain HR functions such as HR system input, paperwork processing, benefits management, compensation, and performance management. RPO is a viable option for companies that are short on local market expertise or functional recruiting expertise. By outsourcing recruitment to the local country, the home office can focus on the hiring strategy and management of the local tactics.

Cost is another driving factor of RPO adoption. In many cases, RPO partners can leverage economies of scale to reduce the cost to hire a position. Plus, they can utilize large contracts with job boards that individual companies often cannot afford. Other business drivers include quality and speed of delivery. Utilizing a team of experienced, professional recruiters can increase the quality of hire and the speed with which you fill open positions.

An RPO partner can also help satisfy seasonal or cyclical hiring needs, and ramp your staff up or down with greater cost predictability. An international publishing and event production company with events in San Francisco, New York and Atlanta uses RPO services to expand and contract staff quickly when producing an event. An RPO partner can handle and assure adherence to all necessary compliance measures within the sourcing, recruiting, and hiring process.

Furthermore, a candidate's experience applying and interviewing for a job at your organization has a direct impact on its employment brand. A dedicated RPO partner can focus on ensuring a positive experience for candidates. Alternatively, an RPO partner can conduct a confidential search when anonymity during the recruitment process is a requirement.

Consider RPO an ongoing process

Some foreign employers define RPO even more broadly as an ongoing cycle of processes related to attracting, sourcing, recruiting, and hiring employees within an organization. This includes elements of employment branding, outreach, networking, and relationship building with potential candidate communities (e.g. colleges, associations, social networks) to continually build and enhance the talent pool for an organization. By defining it as an on-going cycle, it introduces the concept that the processes are connected and interrelated, rather than isolated events. This means that those involved in talent acquisition and management take a holistic look at how candidates find and interact with the newly established foreign company, how the company engages them, and what makes the company a desirable employer.

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Summary

In the final analysis, RPO partnerships are defined with expectations, accountability and what everyone's role is within the hiring process. Human Resources leadership and hiring managers are advised on recruiting tactics and employment branding after discussing needs analysis (current and future openings for three, six, nine and twelve months ahead) by U.S. location.



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