

People management is the biggest barrier to international growth, says ADP

- 93% of businesses say that managing employees globally limits their international expansion
- 71% agree that HR-related issues are among the most challenging barriers to expansion

Hong Kong – 26 March 2020: Nearly all organisations (93%) say that growing and managing their employee base in new countries limits their international expansion to some degree, with more than one in ten (12%) stating that it limits their expansion completely. This is according to the *HR Challenges of International Expansion report* by the Economist Intelligence Unit (EIU), commissioned by ADP, an international HCM & payroll company.

The report surveyed 1,000 C-Suite and HR executives globally, across a range of different sectors to explore the motivations, priorities, and challenges of international expansion. The study revealed that businesses grow their operations for various reasons – and face varying obstacles when expanding internationally.

According to the survey, 46% of respondents say that recruitment challenges are one of the greatest obstacles to their global expansion, while 71% say that HR-related issues are some of the most challenging barriers they have when expanding beyond their home country. The prevalence of these challenges shows that organisations must focus on their employees – both current and prospective – when driving to create an international workforce that can compete on a global scale.

Commenting on the findings, Jessica Zhang, General Manager, ADP North Asia said, “Despite the world becoming even more connected, ADP’s research shows that companies are struggling to manage their employees globally. Rather than from West to East, there’s a new generation of companies with roots in the East that are entering countries like the US, facing logistical hurdles and cultural differences.”

While companies must understand that growth always brings with it many challenges, these challenges are not insurmountable. The ability to plan, manage, and oversee an international workforce well is something that can make all the difference during this transition period.

Jessica continued, “Adopting technological tools that help to streamline and automate HR processes and collect employee data can alleviate some of the challenges of international growth by providing insights into their workforce, providing a singular view across multiple countries. This will free up time for HR teams, enabling them to focus on tasks that provide added value. If the right technology and software are in place, expansion can become far easier to manage, leaving businesses to enjoy the benefits of operating internationally.”

About the HR Challenges of International Expansion Global Report

The ADP HR challenges of international expansion report was conducted by The Economist Group, and surveyed 1,000 businesses across 15 countries worldwide. The research assessed how companies are expanding, the reasons for expansion, and the challenges they face.

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