

Expatriate selection process relation to success and failure business essay



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The issue of expatriate selection in global staffing remains a critical issue to date. With more firms going global in search of competitive advantage, the success of the expat is integral to the company (Mary G Tye, & Peter Y Chen. 2005). The selection of an able candidate for the post of an expat facilitates success. The experience of expatriate selection and assignment has been a mixed success for multinational firms. Several selection strategies have been used, but failure situations in individual assignment cases are known to be in nearly every multinational firm (Richard D. Hays, 1974). The reason for expat failures in these MNCs is that there is a lack of a proper criterion for the selection of the expatriate.

Expatriate selection issues:-

One of the main mechanisms that can be used to bring down expatriate failure is selecting the proper candidate for the assignment. (Andrea Graf; Lynn K Harland 2004). According to Bolino and Feldman (2000), the ability to manage cultural differences and fill up communication gaps forms the base criterion for the candidate selection. Though various other analysts prescribe other selection criterion, the above model gives a wholesome view for how the candidate should be selected. Andrea Graf; Lynn K Harland mention in their paper that merely 10% of companies have screening process for selection of candidates, concluding with the research proof that companies have failed to pay sufficient importance to selection on potential expatriates. (Andrea Graf; Lynn K Harland, 2004).

Companies neglect the selection process as a method of cost cutting. What they don't realise is that spending on employee screening in the present can be beneficial in the future. Also, companies plainly look at the candidate's

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work efficiency and not on his adaptation skills in a new environment. A successful manager in the US may not be the same in other parts of the world. Companies do not utilize the resources available to them. In MNCs these days, the selection seems to rest solely on the performance in the home- country (Mary G Tye; Peter Y Chen, 2004), irrespective of his or her cultural adaptability. Companies use the same recruitment policies for both domestic and international assignments, which results in the understandably high failure rate.

Companies refuse to look at the psychological aspect of employees when screening, with only 6% of companies carrying out such tests (Andrea Graf; Lynn K Harland), as there are many other psychological reasons behind a person's performance, for instance, being away from family for a short term assignment is sure to impact efficiency at work. People do not always take to other cultures and languages easily, and this can be the biggest hurdle- in identifying the proper candidate.

The basic problem is that companies refuse to look at the mind-set of the employee selected for an expatriate assignment. He might adapt differently to different cultures. A British national will feel better off inside Europe and may continue to be as efficient as in his home country, but that formulation changes drastically when he is recruited to places like China or India. Also, the selection criterion is lowered when the destination is an English speaking country. There is as much of cultural differences even within English speaking countries. It can be noted that a country like Singapore suffers from 5% of expat failure (Brookfield Global Relocation Trends 2010), which is very high considering the size of the nation.

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Key factors leading to assignment failure were spouse/partner dissatisfaction (65%), inability to adapt (47%), other family concerns (40%), and poor candidate selection (39%) (Brookfield Global Relocation Trends 2010).

Looking at the above stated statistics, it can be seen that inability to adapt to the cultural trends accounts for almost 47% of expat failures, and 39% attributes to poor candidate selection. The poor candidate selection in turn affects all of the above statistics. Once the selection is screened, the other factors leading to failure can be predicted, and can even be negated.

According to Brookfield Global Relocation Trends 2010, the failure of expats in most countries like India, China and Japan are due to the selection of the wrong candidate. Adaptation to the cultural environment is as essential as the technical competencies of the individual (Hung-Wen Lee, 2007). The other steps that follow, such as pre-departure training, In-country assistance etc., become obsolete if the candidate selection is flawed. An unsuitable candidate in such a situation wastes the resources of the company.

HR teams in companies often do not realise that expat selection differs vastly from selection of a domestic personnel. Human relations skills, understanding of host country culture, ability to adapt and language skills are ignored or treated as relatively minor issues. “ Failure of assignments... in up to 80% of cases is due to personal adjustment rather than a lack of technical skills” (Stone, 1986). The success of the expat largely depends on selection, which in turn should strike a balance between the technical and personal competence of the candidate. A person with psychological adaptability and lesser efficiency will perform better than a highly capable individual in a foreign environment. He will also be able to deal better with <https://assignbuster.com/expatriate-selection-process-relation-to-success-and-failure-business-essay-process-essay-samples/>

factors like culture shock, communication barriers and spouse dissatisfaction. Cost cutting in the area of employee screening can look lucrative, but in the long run it has a magnified effect of the expatriate and the company. Companies should look more to people who are willing and able to go on expat assignments, rather than recruit from a pool of high efficiency individuals. Choosing the right candidate for the job is more a psychological perspective rather than technical. Selection criterion should be country specific. Most MNCs do not follow such stringent procedures, according to McNerney, Donald J. (1996, June), the process is little more than a random lottery. Such a careless and name sake approach is highly risky, given the magnitude of size the error might take in the future. Companies with efficient and dynamic HR teams conduct interviews with the selected person and perhaps even his family if it is a long term assignment. The two way dialog between the HR person and the candidate facilitates the candidate to learn about the challenges that might be faced during tenure as an expat. It is also a sort of self-elimination process, where individuals can gauge themselves, introspect and take a well- informed decision, where an opportunity is given so that the individual can either accept or reject the offer, or practice skills he feels he'll be needing in the new environment like language courses, etc. (McNerney, Donald J, 1996) . Also, the HR team needs to be aware of the fact if the selected candidate is volunteering for achieving a personal agenda. If the HR team selects the right candidate, it also helps in the other HR practices that are to be carried out, i. e. relocation administration, compensation, support, repatriation and retention. The psychological knowledge of the specific candidate contributes to the efficient management of the other HR initiatives too. But the crisis includes the fact

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that the HR team is often given a very minimal role in the selection process of the candidate, which is usually done based on priority, efficiency and merit rather than adaptability. Companies focus on giving support to expat assignees without considering the fact if they have enough adaptability skills. It's more like thrusting it on them without any effect whatsoever.

The selection of the right candidate is based more on the characteristics of the individual. But we do not see this happening in the industry. Only 12% MNCs take the selection process to the psychological test, and 85% of enterprises settle for the traditional skill testing process. (Price Waterhouse Survey 1997/98).

Dowling brings in the role of the coffee machine, saying most such decisions to send an assignee is decided as a result of a casual talk. Harris and Brewster's selection typology talks about the two ways followed by firms, Formal and Informal. The process of selection and the HR process that is involved with the activity are heavily influenced by the age and experience of the Multinational, as the companies strive to be more reactive rather than proactive in the selection process. (Dowling et al. 2008)

Conclusion:-

The point is, expatriate selection decisions should be done much more sternly taking into account various aspects, rather than being skill oriented. The HR teams need to be more dynamic and adapt themselves to the situation and be more proactive. No particular model or procedure will suit all organisations, as their requirements vary with every international

assignee and project. The HR teams, with the problem of low resources,
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should strive to achieve the maximum productivity of what is made available to them. MNCs should also invest more in the area of HR management rather than keeping it as a namesake. The selection process should neither be based on too much skill and efficiency as it is now, nor should it be based on psychological adaptability and aptitude alone. The HR team has to strike a balance between the two, and strive to make a success.