

# [Selection and training for overseas assignments](https://assignbuster.com/selection-and-training-for-overseas-assignments/)

As the firms become more international, the need for better HRM techniques increases. International HRM manager must learn the values that native population respects and cherishes, developing an awareness of these differences and finding the right mix of managers and employees to run MNC (Thakur, 1997; Edwards, 1998). This is one of the focuses of International HRM. Expatriate Selection Criteria Various factors count in expatriates’ selection (Prusak & Budzik, 2005), namely, the expatriates should have technical and managerial skills and be able to do his job as he is at distance from headquarters and cannot consult readily; motive and desire of manager interested to go for overseas assignment such as interest in host country, financial incentives, gain self-confidence; the expatriates should have social skills to interact and understand people norms; mixing in social activities such as sports, eating, and language; ability to deal effectively with superiors, peers and clients, etc; diplomatic skills and ability to interact with business associates, government officials, and leaders abroad; maturity and stability to deal with situations, logically, adaptability, resourcefulness and initiative. Family factors such as family adapts to new country and his / her partner’s willingness to relocate after giving up career/job also plays a role in selection of expatriates. Some MNCs (Motorola) provide career support to spouse in terms of language training to upgrade work-related skills and career development courses.

If spouse stays back support in telephone bills and airline return tickets, benefits help in adjustment (Mathis & Jackson, 2004). Other attributes in selection of expatriates include, age, gender, health, knowledge of language, (age is respected in some places and a sign of authority), attitude towards company and performance, ability to cope with environmental variables such as political, legal and socio economic structures in host country. This often poses problems of cultural adjustment. The Use of Selection Tests Personality and psychological tests have been used in the selection process to assess personal characteristics, but the effectiveness of such tests as predictors of cultural adjustment is questioned.

The tests validity is doubtful as well as tests are not adjusted to culture of the country. Another constraint is that in some countries (the United Kingdom and Australia, for instance) there is a controversy about the use of psychological tests (Lipka, 2000). Further personality traits are not defined and evaluated in the same way in different cultures. One model is offered by Mendenhall and Oddou (Humes, 1993).

They propose a four-dimensional approach that attempts to link specific behavioural tendencies to probable international performance. The self-oriented dimension reflects the degree to which the expatriate expresses an adaptive concern for self-preservation, self-enjoyment and mental hygiene. These could be measured through certain psychometric tests (such as stress tolerance and Type A behavior). The perceptual dimension reflects the expertise the expatriate possesses in accurately understanding why host nationals behave the way they do. The others-oriented dimension reflects the degree to which the expatriate is concerned about host-national coworkers and desires to affiliate with them. This could be evaluated through similar technique for the perceptual dimension.

The cultural-toughness dimensions reflect a mediating variable that recognizes that acculturation is affected by the degree to which the culture of the host country is incongruent with that of the host country. This could be assessed by comparing the host country’s political, legal, socio-economic and business systems to those in the parent country. If there is considerable disparity (i. e.

, if the host country is “ culturally tough”), only applicants with high scores on a battry of the various evaluation devices available should be considered for the assignment. For assignments to countries similar to the parent country (e. g. an assignment to Australia from the United States), applicants with more marginal evaluation scores may be considered (Ferris, 2000). The evaluation of the candidate’s strengths and weakness has to be done on these four dimensions.

They also suggest that focus on appropriate attention on cross cultural ability and behaviour is to be complemented with the assessment of technical ability. Environment Adjustment Process during the Assignment Period Abroad An assignment abroad normally lasts about three years. Peter J. Dowling has depicted the adjustment process which indicates four phases (Dowling, Welch & Schuler, 1999). At the beginning of the assignment everything is new, novel and exciting.

However, after about 3 months a kind of ‘ culture shock’ sets in (Phase 2), which may be expressed in frustration over details such as the difficulties involved in getting a new telephone installed or feeling home sickness or the manners of the local personnel, carefully designed selection procedure and pre departure training could reduce some of the culture shock. However, this period is critical time in terms of success or failure. Expatriate may like to go back as his performance is affected. After another 2 months the expatriate starts to adapt to the foreign culture and gradually moves to a natural state (Phase 3). However, after a period of time the expatriate is naturalized to some extent (Phase 4). The curve is leveled overtime.

It is necessary if International HR Department at home and at the subsidiary is aware of this adjustment process. A common reflection about expatriate managers is that they are very creative and hard working. They are able to do things as an expatriate which would not be considered by a native manager (CIPD, 2004). During the assignment, the expatriate manager focuses on the task at hand and achieves the change desired, such as make production more efficient, etc.

Some large company’s have system for keeping in touch with expatriate by sending information about home country. This may facilitate the next phase, i. e. repatriation.

Further, the head office support in foreign location helps in expatriates performance and adjustment. Reasons for Expatriates Failure There are many reasons such as their families, i. e. spouses in 90%, of cases who come back early, spouses face isolation, loneliness and boredom which lead to mental, emotional and physical problems (Bhatia & Choudhary, 2003; Bratton & Gold, 2003).

This happens as companies do not train spouses. Financial package, cost in foreign country may be higher. When dollar is weak, it costs more to live abroad. For example, USA family overseas in Japan may face such a situation. Lack of inability to cope with larger international misconception that expatriates will work as efficiently as did in home. In host country, they have to face uncertainties, relate with people with different values and beliefs.

This particularly happens when no training is given on cultural nuances. Finding differing societal, legal, economic, technical and physical demands and these affect performance. Conflicting goals between the parent company, joint venture and expatriate has to serve two masters. Shock on new job and new work environment (culture) could be another reason.

A different job, new boss, loss of spouse’s job, new schools for children, increased housing expenses, lack of technical competence, loss of authority are problems faced, length of assignment may lead to shock on new job (Guest, 2001). It is inability to adjust to local culture and working environment. Other reasons include poor programs for career support and repatriation, lack of support from headquarters, inadequate preparation, training and orientation prior to assignment; selection based on headquarters criteria rather than assignment needs. Expatriate turnover is much higher than domestic turnover.

Studies show that 20 to 50% of all expatriates who are transferred are dissatisfied which results in high turnover (Torrington, Hall & Taylor, 2004). However, expatriate’s awareness of the psychological adjustment process can assist the expatriate adopt positive coping behaviours (Dowling, Welch & Schuler, 1999). Thus the variables such as, compensation package, task-responsibility, head office’s support, host environment and cultural adjustment have tremendous affect on the adjustment of expatriate and his performance. Staffing requires identifying human resource needs and filling positions in the organisation structure and keeping it filled with competent people. We share here HRM practices in Japan, United States and China (Punj, 2002).

Staffing in Japan In Japan, people are hired out of school. People once hired by one company neither want to leave that company ever nor do get employment in any other company if they want to. Employees remain very loyal to their companies and also the companies take care of their employees. The performance of employees is evaluated once or twice a year (Gleave & Oliver, 1990). In addition, their progress is monitored on an informal basis.

Employees work together in a cabin-less office making it easy to monitor their performance. A more comprehensive performance review is conducted few years after an employee had entered a firm. The overall, long-range success and decision capability of the individual is evaluated. This practice results in linking rewards (such as promotions) to effective long term performance. Still, the differences in pay increases among young employees after entering a firm are rather small, and rewards are essentially based on group and company performance rather than on individual contributions. Because employees are an integral part of the corporate community, promotion practices must be considered by all as being fair and equitable.

In Japan, the criteria for promotion are usually combination of seniority and merit. Also, educational background plays a role in promotion decisions. Japanese companies invest heavily in the training and development of their employees, and the practice of job rotation throughout the employees’ working life leads to a broad career path in which the employees are exposed to many different enterprise activities (Gleave & Oliver, 1990). Japanese companies make every effort to ensure stable employment until retirement age. At times of economic slowdown, companies usually dismiss part-time or seasonal employees, who are not considered members of the permanent work force (Gleave & Oliver, 1990).

Also, instead of being laid-off, permanent employees are often transferred to organisational units that are in need of additional help. Staffing in the United States Employees are hired from institutions as well as other companies. Rapid advancement is expected by employees and if it is not forthcoming, an employee may change companies. Professionals, such as engineers or accountants, often identify more with their profession than with their company, and job-hopping is not unusual. A common practice in American companies is to appraise the performance of new employees rather soon after they join the company (Ferner & Colling, 2005). If the performance does not meet the company’s expectations, employment may be terminated.

But even for those who have been with a company for many years, performance is evaluated at least once a year, and in many cases their performance is reviewed periodically during the year. In general, the focus of performance appraisal is on short-term results and individual contributions to the company’s aims. Moreover, differentials in pay increases are often based on individual performance. These differences in pay may be substantial, especially at upper levels of management. Promotions in US companies are based primarily on individual performance (Ferner & Colling, 2005).

Although progressive companies provide for continuous development, training is often undertaken with hesitation because of the cost and the concern that the trained person may switch to another firm. Thus, employees are often trained in specialized functions, and this result in a rather narrow career path within the firm. Finally, in many American companies, employees feel that they may be laid-off during economically hard times, which, naturally, contributes to job insecurity (Ferner & Colling, 2005). Staffing in China Employees are hired from school. They are expected to stay with enterprise for a long time.

People are usually assigned to their positions by higher authorities. Promotion is slow through the ranks but there are regular salary increases. In China, employees lack in dedication and loyalty both to the company and to the profession (Punj, 2002). Performance reviews are conducted usually once a year. Promotions are supposed to be based primarily on performance, education, and potential ability. However, family ties and good relations with superior greatly influence advancement within an organisation.

In the past training programmes were available only to the chosen few. Recently, however, training has been provided for more managers by educational television and professional night schools. The jobs of employees are secure job security implies life time employment (known as “ iron rice bowl” regardless of performance). As companies go global, there arises the need for training employees for international assignments.

As is well-known, habits and practices relating to work motivation, profit motivation, negotiating skills, gift giving customs, eating and dressing, body gestures, he delaying, interpretation of color and numbers vary across countries. It is essential employees are trained to handle these nuances before being posted overseas. Fallout to train results in poor performance of the expatriates. These failures are costly sped to goodwill, reputation and finances of the company.

Despite its wee, training employees for overseas assignments has not received much attention. Some countries, such as Japan, are more committed to the importance of training for international assignments. Few companies provide preparatory training on foreign assignments, despite the fact that expatriates fail and knowing the fact that it increases chances of success (Armstrong, 2006). In order to develop and design effective preparatory training, companies must implement a systematic approach which includes analysis of training needs of target population, establishing training goals, and a careful training design. Training for Overseas assignments The systematic training cycle consists of 4 stages (Asbton, 2004; Anderson, 2004).

Profiles in terms of competencies needed for success on international assignments may form an important basis for development of effective training for international staff, continuous research required. In the second stage, an “ ideal people” stage somewhat raises the competencies needed for international success can be drawn, on the basis training needs of specific assignee can be determined by adding or deleting. The six competencies that were perceived, in one study, as being most important for success of international managers (in descending order of importance) are, leadership skills, initiative, emotional stability, motivation, ability to handle responsibility, cultural sensitivity, to handle stress and flexibility. Training and development of international staff should be approached as a process and not as a one-time event just prior to departure. Many of the competencies needed for international success lie in the area of abilities and attitudes and therefore require development and strengthening over an extended period of time.

The recommended approach is to begin preparing managers for global assignments early in their careers by means of a phased, cumulative approach. The goals of cross-cultural training The next step is translation of training needs into training goals and objectives. A goal is fairly general statement of intent, whereas objectives are very specific statements what candidate should be able to do at the end of learning session. The goal of cross-cultural training should be to equip the trainees with knowledge, skills and attitudes which enable them achieve three adjustments and effectiveness which are indicators of international success, namely, personally adjusted, i.

e. he feels happy and satisfied with situation abroad; professionally effective if he performs his tasks, duties and responsibilities on-the-job competently; inter-personally adjusted and effective if he takes interest in interacting with locals capably. Methods of cross-cultural training: Once the training needs are identified and translated into specific objectives, we know ‘ what’ we want to achieve with training. Cross-cultural training thus usually combines both informational and experiential approaches. Choice of training methods depends upon the training goals and that these goals on training needs.

Not all competencies can be acquired through the same training methods. The required level of rigor of the training method depends upon the situational factor of the assignment. Cross-cultural training is seen as short duration one-shot remedy. However, to increase its effectiveness of development, it should not be seen as an event, but as a process.

Many of the competencies lie in the area of attitudes, abilities and even personality traits: leadership, initiative, motivation, emotional, stability, cultural sensitivity, etc. such competencies cannot be acquired on a short ¬term basis (Hsu & Leat, 2000). They need to become strong and develop and cannot be done in short duration. Thus, phased approach is required to develop competencies. First phase of training and development starts soon after selection and joining company with international prospects.

Focus on strengthening abilities needed for an international career and motivation to work abroad. The second phase will be after selection for international career. Focus on fulfillment of an international assignment. The third phase concentrates on training for specific skills needed for the assignment and knowledge of specific cultural issues in host country, logistical information and business practices and procedure is imparted.

They are exposed to workshop on pros and cons of expatriate life. Training expatriates in negotiation and conflict resolution skills is necessary to enable them cope with and resolve, the unexpected issues and problems. Inclusion of the partner of host country in cross-cultural training is vital as inability of the partner to adapt to different environment is cause for failure of international assignment. So partner has to be given-support while deciding for or against a life abroad. Partners are exposed to pros and cons of international life. Partner must be well equipped for international life.

Inclusion of HCNs (Host Country Nationals) in cross-cultural training as ultimate success of an expatriate assignment depends not only on the expatriate himself but also upon the local people with whom he has to work (Armstrong, 2006). So training and development of this (HCNs) group of employee is very important. Content of training must focus on development of technical and managerial skills and parent corporate culture and cultural background of the parent country. Design of Training Levels of training which MNCs are to ensure for success of overseas assignments can be summarized in the following manner. First level training focuses on learning about host country’s ¬culture, language, politics, business, geography, religious values and history. Through seminars, videos, meetings with citizens of the country before assignment begin.

Second level training deals about assignment itself. Requirements of the position technical, managerial knowledge needed company officials can do that before leaving. Third level training deals with preparing him for new job at new location to be done by whom he is replacing. Fourth level training deals with how he adjusts and adapts new environments, by providing assistance. Fifth level training addresses re-entry back home, and contact with people, at home and visit home during vacation. Conclusion Considering the cultural differences, it is clear that inclusion of local staff and practices is essential in building a performance-based work culture.

A skill-based approach may contribute to improve labor productivity and better performance. We conclude that in addition of training of expatriates, their families, companies should take care of training the host country nationals (HCNs). Training and development of international staff must be viewed in the light of complete deployment cycle, and the same will be most effective when linked to systematic career development plans. To conclude, special attention should be given to international training. Personnel as to overseas posting must learn the host country’s language, customs and practices.

Even the wives of the employees must be involved in such a training program. In fact, training represents a long-term investment in both the individuals and in the organization.