Potential Problems in International Human Resources Management Training Programs

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Abstract. Training program design, host countries context, cross-culture difference and expatriates’ learning styles are identified as the primary potential problems need to be considered in training programs. To cope with these issues, differentiated training elements are suggested to be focused on to build up a cost-effective training program. Operating in a global industry, MNEs may expect more integrated cooperation than those are in multidomestic industry. As subsidiaries in this situation are not implementers but cooperators, skills of network building are considered to be more necessary than skills of knowledge transfer and management. In addition, a cost leadership strategy may not allow a training program to be implemented in the host country, though it could result in a better outcome. Expatriates with different learning styles would be sensitive to different types of training programs. Differentiated training program based on these learning styles could also works effectively and efficiently.

Introduction

Due to different strategies they are implementing, and different types of industry they are in, international companies may have various staffing approaches being consistent with their values and missions. To apply these staffing policies, it is required that expatriates are sent overseas for international assignments in which they are expected to play different roles to help companies to enhance their competitive advantages. While expatriates with the best competencies would be chosen, there would be still gaps between companies’ intentions and the realities. Training is considered to be a critical step in strengthening expatriates’ abilities in order to release the negative impact coming from the gaps to some extent. However, training program is not a guarantee to success. In this project, some potential issues in training programs, which may result in expatriates’ failures in international assignments, are discussed to help understand how training program could be adjusted to make expatriates more likely to be successful.

This project starts with an interpretation of the gap existing in MNEs’ intention and reality. Following is the explanation of how training program is necessary for expatriates’ success. After that, some potential issues are illustrated in terms of design of the training, host country context, and trainees’ characteristics. In these issues interpreted, industry types, companies’ strategies on both business level and functional level and subsidiaries’ roles are related to help to work out an adequate adjustment on the training program.

Significance of Training Program

Intention Versus Reality

To develop and maintain competitive advantages, MNEs send expatriates overseas to complete short-term or long-term international assignments. Expatriates are expected to acquire and transfer knowledge, to manage a subsidiary, to fill a staffing need, to maintain communication coordination, to control between subsidiaries and corporate headquarters, and to develop global leadership competence (Anne-Wil Harzing, J. van Ruysseveldt, 2004). Depending on these various assignments’ requirements and their different competencies, expatriates are selected through systematic procedures. However, besides job-related factors, an expatriate’s success in the host
country is also largely determined by his or her competencies to adjust to a cross-cultural context. An expatriate who are not prepared to confront the cross-culture challenges, such as culture shock, finds it difficult to adjust, incur and impose on others, which will be the cost of the company by the expatriate poor performances (Anne-Wil Harzing, J. van Ruysseveldt, 2004). Since the gap between MNEs’ expectations and the realities exist, a well-designed training program is considered to be necessary to enhance expatriates’ competencies.

**Necessity of Training Programs**

In different industry type, MNEs send expatriates overseas to achieve different goals. For example, in the multidomestic industry, the international human resource’s function are focus on to be domestic in structure and orientation; then, in the global industry, international human resource function are more focus on to deliver the international support to the subsidiaries (Stefan & Engle. Sr, 2008). Since the different internal and external environment of a MNE determines different requirements on expatriates and functions of the subsidiaries, there is no standardized training program for expatriates with various competencies and characteristics. As Paula Caligiuri and Ibraiz Tarique (2005) illustrated, successful pre-departure cross-culture training should provide the criticality of the expatriate roles, associating challenges of living and working in another country, maximizing the cross-national effectiveness of the international assignment.

However, training program is not a guarantee to ensure expatriates’ success. Several potential problems might hide in a MNE’s training programs and make it unsuccessful. Based on the industry type, MNEs’ strategies and subsidiaries’ roles, adjustments on training programs are considered to be necessary.

**Potential Issues in Training Program**

**Costs and Design of Training Program**

With the further development of globalization and transnational corporations, the strategic problem of human resources management has become an important research topic in the role of international human resources management under the strategic background of new HRM strategies and management models(Zhang Ming,2012). Expatriate training and management are necessary to MNCs when they want to broaden specific manager’s experience by giving them international experience, exert management control, or begin new ventures by entering new territories (Torbiorn, 1994). Therefore, according to different industry, business level strategies, subsidiary role and functional strategies, the design and cost of the training program of the expatriates will be very different. A good design is made after fully considering all those factors. For example, if the subsidiary is an implementer, it needs experts to transfer knowledge. Therefore, the expatriate to this subsidiary will need more training related to learning and practical skills than going to a global integrated subsidiary. Moreover, Marquardt and Engel (1993) stated that the attitudes, skills and knowledge needed for successful global human resource development was not easy to apply in the home country, much less carry out globally because a proven and well-design program in one country does not automatically work in another country in the same way. That means the design of training need to take the industry and cultural condition into consideration. While it is clear that expatriates are more and more important to the multinational corporations, it comes at a very expensive price and with lack of certainty in its outcome (Dewald, 2008). For instance, a global industry may need less train about host country conditions than a multinational industry. Also, due to the different culture situation between parent country and host country, a Canadian PCN’s may need less training when going to a British subsidiary than going to a Middle East subsidiary. In addition, Jassawalla, Truglia, and Garvey (2004) found that even when training did occur, it often consisted of only facts and information about the host country and working assignment, neither of which proved to be particularly useful in ensuring overseas success. Therefore, when developing the training program, HR managers should have analyzed the industry condition and corporate strategies in order to make sure whether the training is
in the parent country or in the host country according to the cost of a trainer, or whether the training needs less leadership skills according to the functional strategies. It is because the design of the program will more or less have the impact on its cost. As mentioned before, the payback is uncertain, so it is very critical for the HR managers to figure out what the company needs and what the expatriate needs. In a word, a HR manager needs to be mindful and may employ a “Think Global, Act Local” approach to design training program for each circumstance. As far as the international community is concerned, there is a big gap between human resources management and domestic management.

Host Countries Context

Language

No doubt that language is the first issue which should be considered. Whatever global or multi-domestic strategy firms are using, language skill is required. If firms choose cost leadership business strategy, they may select those candidates who already have language skill in order to lower cost. In that case, language training is not necessary. If firms are in global industry, expatriates need to build tight network with TCNs and HCNs; therefore, local language based speaking and writing skills seem to be significant. If firms are in multi-domestic industry and their subsidiaries are playing implementer role, expatriates will be required to transfer knowledge and report to headquarters; therefore, based reading and writing skills should be enhanced by training.

Language, as the communicating path, is the fundamental skill that expatriates will rely on in order to have an easy way to live in foreign country and negotiate with foreign business partners. Furthermore, having the targeted foreign language skill also shows respect for partners (Deshini Chetty, 2009). Otherwise, although English is worldwide business language, in some countries like Germany still prefer to use their own language to do business. Furthermore, some developing countries may not so familiarity with English which may lead to misunderstanding in conversation and failing missions.

Gender Issues

Besides language, gender problems could be another potential issue rising from sending expatriates to foreign countries for international assignments. For those firms who are implementing differentiation strategy, women expatriates are sent aboard for international assignment because MNE needs to expand their talent pool to enhance the competitive advantages and to be consistent with their corporate values (Caligiuri, P. & Cascio, W.F., 1998). However, it is believed that a more complex situation would be faced if female expatriates are assigned to foreign countries due to the host country conditions.

The culture difference between home country and host country is considered as one factor which would result in a female expatriate failure. For example, although it becomes better than before, stereotype that Japanese women are obedient housewives but not ambitious employees (Iwao, S., 1993). Female expatriates who are sent to such a country like Japan are more likely to face dilemma that tight network is not easy to establish when they are working with local male employees, since a job-orientated female expatriate could be seen as being distinctive, especially if she is in a high position of the subsidiary. With a lack of local social support, a more stressful situation would be heightened during international assignment (Harcar Tijen & Harcar Talha, 2003). In Muslim countries like Bahrain, female expatriates sometimes have to fight for their rights because Bahraini men resist having women in managerial position. In countries like Bahrain, a management problem could be faced when female expatriates are playing leading roles in the subsidiaries which are seen as implementers. In this case, female expatriates are expected to be more resilient and resourceful to adjust to a foreign culture because they might be received with mixed reactions during their international assignment (Jacob, N., 2003).
Cross-Culture Difference

Hofstede indicated five main cross-culture gaps are collectivism and individualism, power distance, uncertainty avoidance, masculinity and feminism and long and short term orientation (Amit Pande & Sandeep K. Krishnan, 2002, quoted in Hofstede, G.S, 2001). Different working style that based on culture gap may influence decision making even fail assignments. This culture gap also may lower work performance and cause conflicts (Amit Pande & Sandeep K. Krishnan, 2002).

Strategy using and industry type both have influences on cross-culture trainings. For example, sending an expatriate under global industry type from US where has relatively higher individualism level to Japan where prefers collectivism; team work training is required for building a better network. Different uncertainty avoidance may lead to misunderstanding or even conflicts during an international assignment. For example, to work in a subsidiary with high uncertainty avoidance as an implementer, expatriate managers from countries with low uncertainty avoidance needs to be trained more on coaching and counseling skills. For power distance part, if MNEs in multidomestic industry sent their expatriates to low power distance country like Japan, then those expatriates are more likely to feel disrespect and their job enthusiasm may become lower (Li-Yueh Lee & Chia-Ying Li, 2008). In this case, both local and home country trainings should be concerned. For masculinity and feminism part, firms which are in global industry and using accumulator strategy may not concentrate on gender difference training. For masculinity and feminism part, it will cause gender issue like discussed above.

Expatriates’ Learning Style

Expatriates’ learning style can be another factor affect the effective training program. The reason is “different training content may be better suited for different kinds of learning style” (Kolb, 1995 & McMurray 1998 in Lee & Li, 2008, P601). “The analysis of learning style of expatriates is also useful in identifying what kinds of training modes should be offered to expatriates before and after their departure (Lee & Li, 2008, P605). However, the company’s business strategy, HRM- strategy also should be related with the training program within the manager’s consideration.

If the company is in a multidomestic industry, expatriates working in subsidiaries as implementers might need to major in converging learning style because their responsibilities are to transfer skills and knowledge. The converging style expatriate is one “who is best at finding practical uses for ideas and theories, and deal with technical tasks and prescribed problems rather than social or interpersonal issues”. Trainees who prefer accommodating learning style are more likely to learn from action experiences, and solve problems or accomplish assignments by interacting with other peoples (Lee & Li, 2008). Expatriate with this learning style will better fit the subsidiaries that adopt a differentiation business and an accumulator HRM strategy. When the subsidiary’s degree of integration with headquarters is very low, it is better for a company to train its expatriate in the subsidiary in order to become an effective training program. The expatriates are more likely to be able to adapt to the new environment and perform well. In the case of MNE operating in a global industry, its strategy will be different depending on the crucial and complex situation. Because of this reason, most of the MNEs send their expatriate oversea without any pre-departure training, and let the expats to develop a new market in the foreign county (Black & Mendenhall, 2007). In this circumstance, expatriates with diverging learning style should be considered. Diverging learning style’s people have the passion and exploration to learn, and they are seeing things from a different perspective and curious about new staff and environment. Therefore, they can be the better choice to fit in the complicated international assignments. A MNE with cost-leadership business strategy would not prefer to send its expatriate overseas to have a practical learning. Trainees who major in assimilating learning style “have the ability to abstract complex problems/situations, and are . . . prone to integrating a variety of disparate information into an integrated model to solve problems” (Harvey & Novicevic, 2001, in Lee & Li, 2008, P602). By sending expatriates with assimilating learning style overseas to develop their leadership and managerial skills, it could reduce the costs of the training program. The expatriate can learn knowledge and skill by their ability of solving problems in practices. Learning style could also
influence thinking, feeling, reflecting and implementation of expatriates in a training environment, and also knowing what kinds of training method should be used by trainers which can give the expatriates systematic training before and after their departure (Lee & Li, 2008). Therefore, the managers/trainers should be familiar with potential expatriates’ learning style, and then use suitable teaching method and learning materials in order to affect the expatriate’s training. The article “Effects of Trainer Expressiveness, Seductive Details, and Trainee Goal Orientation on Training Outcomes”, indicates that trainer should have good communication and deliver skills, interest in training and developing the ability to motivate and engage learners, and the influence which expatriate transfer their knowledge to the workplace (Towler, 2008).

In an effective training program, the trainers could not only think about the expatriates’ learning style but also integrate with company’s business strategy, HRM strategy and its subsidiary role. According to different situation or different type could be chosen to send different learning style expatriate, and then the training become valuable. Within all above consideration, the expatriates receive related training in order to perform well in other different countries business practices and PCNs can get better return.

Conclusion
As illustrated above, training programs are critical tool for MNEs to develop expatriates’ competencies to complete international assignments, which would also help companies to enhance their competitive advantages. Sending expatriates overseas is considered to be costly, and the cost of expatriates’ failure is even extremely high. Being related to subsidiary roles and the industry types, a well-designed training program that is consistent with MNEs’ strategies could largely strengthen expatriates’ performance. Differentiated by both internal and external environment of MNEs and characteristics of expatriates, training program could also be more effective.

References


