

Expatriate Selection

A Key Factor for the Success of International Assignments

Xinyi Luo¹, Yang Gu^{2,*}

¹ University College Dublin

² University of Sussex, Falmer, Brighton, BN1 9QU

*Corresponding author: Yang Gu, Email: yg243@sussex.ac.uk

ABSTRACT

In the context of globalisation and internationalisation, international assignments are becoming increasingly significant for multinational companies. Therefore, companies are committed to avoiding expatriate failure and ensuring opportunities for success, because the success of assignment is closely related to the interests of the company. Moreover, the selection of expatriates is a key factor in promoting the success of international assignment [1], which fuels the starting point of this study. This paper first introduces the importance of successful expatriate, then describes the selection criteria and procedure, and finally considers the limitations of the selection.

Keywords: *Expatriate selection, International assignments, Expatriate success*

1. INTRODUCTION

Companies proactively seeking growth opportunities will value the success of expatriates [2], which may not only be due to the purpose of the company's overseas expansion and the cost of expatriate assignment failure, but also because it is related to the career development of employees. As employees will be essential participants in the company's overseas business development [2], selecting the right employees to start expatriate work may contribute to the success of expatriate work to a certain extent. Many scholars have put forward different skill categories required by expatriates, including hard skills and soft skills, but technical competency is still the primary factor considered by many companies when selecting employees, and the main method in the selection process is the talent pool method [3]. However, in the selection of expatriate employees, there is a gap between theory and practice in many companies [3], resulting in limitations in expatriate selection. Firstly, this paper introduces the importance of successful expatriate assignment to organisations and individuals. Secondly, based on the literature, the selection criteria and selection process are summarised. Finally, the limitations on the selection of expatriate employees are described.

2. THE IMPORTANCE OF EXPATRIATE SUCCESS

On the one hand, for companies, the importance of expatriate success is owing to a rise in demand. With the development of globalisation, more and more companies seek to develop business overseas and explore new markets [2]. For example, the rise of emerging markets such as China, India and Eastern Europe has not only increased the desire of companies to explore and manage in these countries with unique cultural and economic characteristics, but has also led to a rising demand for expatriate managers with international business skills [4]. A number of the company's overseas development objectives, such as spreading the organisation's culture or entering new markets through sales and marketing methods [5], can be implemented and achieved by expatriate employees as international assignment executors. On the other hand, this is due to the high costs and serious consequences of assignments failure. Failed assignments imply early repatriation and poor performance [3]. There are many reasons of expatriate assignment failure, such as failure to achieve the expected results, inability of expatriate or family members to adapt to the new culture and environment, lack of attention and support from the head office, inadequate rewards, and so on [6]. In other words, culture shock and discomfort in work and life can lead to the failure of expatriate assignment. Moreover, it is

estimated that the failure rate of global expatriates may be as high as 16% - 40% [7] and the costs can be enormous, including not only measurable costs such as salary, training and relocation costs, but also intangible costs such as loss of market share, interruption or rupture of customer relations, which may have a series of negative effects on multinational companies [8].

For employees, this is a rare opportunity for career development. As more and more multinational companies regard to international management experience as a requirement for the promotion of senior managers [3], this expatriate experience may have the effect of self-improvement and career promotion

3. SELECTION CRITERIA OF EXPATRIATE

In the literature reviewed by Harris and Brewster in 1999, many scholars have conducted various verification and research on the standards of expatriates. The Business International List published in 1970 is considered to be the origin of these studies, which lists 15 skill requirements [9].

Afterwards, some scholars have enriched this list, such as family situation, relational abilities and so on [10]. Other scholars have classified and explained the selection criteria more. For example, Harvey and Novicevic mentioned a competency-based selection process in 2001, including input competencies, managerial competencies and transformation-based competencies [11]. It is believed that this method can adapt to the dynamic global environment [11]. In addition, there is an emphasis on soft skills. For example, Mendenhall and Oddou summarised several cross-cultural skills that individuals need, namely self-efficacy skills (such as the ability to regulate stress), and relationship skills (such as the ability to develop relationships) [12]. Perception skills have also been proposed, focusing on the ability to understand and correctly infer the behaviour and thinking motivation of the people of the host country [12].

However, Tung believes that many criteria can be divided into technical competency, personal traits, relational abilities, environmental variables and family situation [13]. This paper will summarise and briefly describe some important selection criteria according to Tung's point of view.

3.1. Technical competency

Technical competency have always been considered to play the most critical role [14]. As expatriates work in countries or regions far from their home countries, and companies in these countries or regions cannot provide technical support in time, their technical competency can guide them to deal with problems smoothly [13].

3.2. Personal traits

As expatriate employees are required to work in other countries, this implies a deep experience of cultural differences. Therefore, some personal characteristics or competencies that help employees interact with people from different cultural systems will affect the possibility of a successful international assignment [13]. For example, a personality that is willing to try new things and has a keen interest in foreign cultures can help expatriates adapt to the new cultures and explore the attractions of the host country [2]. In addition, due to the new environment, there may be a variety of unexpected situations which requires expatriates to effectively handle pressure and maintain emotional balance to deal with them [2]. Therefore, expatriates need emotional stability and resilience to cope with adversity [2].

3.3. relational abilities

Expatriates need to get along with overseas clients and colleagues from different cultural backgrounds [13], revealing the importance of relational abilities or communication skills. First of all, being proficient in the language of the host country is a great advantage, which helps them better communicate with the local people, reduce cultural misunderstandings and create a friendly communication environment [2]. The degree of social 'fit' is also mentioned in previous studies, which refers to the ability to adapt and integrate into local society and develop relations with local people, which enables expatriate employees to understand important work or non-work information and feedback [2].

3.4. Environmental variables

The macro environment of the host country, such as the structure of political, economic and legal system, may be vastly different from that of the home country, and expatriate employees are not familiar with it [13]. Expatriates should fully understand these environmental variables, as understanding these variables is conducive to international assignment [6].

3.5. Family situation

The family situation refers to the ability of family members of expatriates, especially spouses, to adapt to the new environment [13]. For international assignments, the expatriate's family also needed to be considered in the selection process. Because the ability of expatriates and accompanying family members to adapt to the new environment will affect the success of the international assignment [5].

4. SELECTION PROCEDURE

The selection process for international assignments can be different from regular talent selection. Schmitz states that the selection process needs to consider several aspects. The first step is to conduct a job analysis of the position to determine the key competencies required to work in different cultural backgrounds [15]. After the first step is completed, the successful experience of previous international assignments can be used to establish an internal candidate pool with key capabilities [15]. Among them, the interest of candidates is considered to be an influential factor, which is related to the success of selection [15]. And employee interest in international assignments can be measured by asking career development questions [15]. More importantly, it is necessary to track interested candidates [15]. A simple way to track candidates is to create and maintain a form to record the candidate's skills, language skills, cultural experience, and how the candidate meets the requirements of expatriates [15]. Finally, if there is an opportunity for international assignments and the right expatriate employee needs to be selected, interviews can be conducted for qualified and interested employees in the talent pool [15].

5. LIMITATIONS OF THE EXPATRIATE SELECTION PROCESS

5.1. Excessive emphasis on technical competency

Although the list of ideal selection criteria proposed by many scholars has theoretical significance, the prevalence of the list has not changed the fact that companies mainly focus on technical competency or job performance when selecting expatriates [3]. In fact, although technical competence is necessary, it is not sufficient to guarantee the success of an expatriate assignment [2]. Because the failure of international assignments is often linked to the inability of expatriate employees and their families to adapt to the intercultural environment, rather than the lack of technical or professional competence [16], which suggests that having the best technical competency does not mean greater intercultural adaptability [2].

5.2. Darkside of informal selection system

Firstly, expatriate recruitment is generally based on a small pool of talent [17]. Companies usually establish an internal high potential employee pool, which is recommended by the line manager and then selected by the committee [3]. Secondly, the study found that the closed or informal model is the most common form of selection [3]. For example, Harris and Brewster argue that the coffee machine system is a common pattern, which refers to a method of identifying candidates by two

colleagues standing next to a coffee machine and chatting. [3]. Compared with the selection interview, the subsequent interview is more like negotiating working conditions [3]. This closed/informal selection system may be dominated by personal preferences, and the characteristics of these preference evaluation may not match the characteristics actually required for expatriate employees [3]. In addition, this method may lack objectivity and gender equality. At present, most current international managers are male, which indicates that the selection process may reflect a male bias, and women may not have equal opportunities [3].

5.3. Insufficient attention to expatriate employees

Some scholars found that human resource departments do not give enough attention to international assignments [18]. It may be due to the informal system adopted by the organisation, which makes HR departments primarily responsible for dealing with the financial, physical and social aspects of the selection process, rather than participating in determining the feasibility and necessity of international assignments or determining the assignments type of expatriate employees [3].

6. CONCLUSION

This paper explores of the selection of expatriate, which is regarded as a significant factor for the success of expatriate assignments. Firstly, this paper explains the importance of expatriate success, including organisational and personal reasons, such as needs of the company's growth, the cost of expatriates' failure and employees' career development. Secondly, this paper introduces the standards and procedures of international assignment. According to the literature, several important criteria is summarised: technical competency, personal traits, relational abilities, environmental variables and family situation. In addition, it also presents the selection procedures, including conducting job analysis, establishing talent pool, tracking candidate interest and organising interviews. Finally, this paper considers the limitations of multinational corporations in selecting expatriates, such as excessive emphasis on technical competency, the use of informal selection system and the low emphasis of the HR department on international assignment.

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