



Reading Assignment

Chapter 9:

Staffing, Training, and
Compensation for Global
Operations

Chapter 10:

Developing a Global
Management Cadre

Supplemental Reading

Click [here](#) to access a PDF of the Chapter 9 Presentation.

Click [here](#) to access a PDF of the Chapter 10 Presentation.

Key Terms

1. Collective bargaining
2. Convergence in labor systems
3. Culture shock
4. Divergence in labor systems
5. Dual-career dilemma
6. Ethnocentric staffing
7. Expatriate
8. Polycentric staffing
9. Repatriation
10. Reverse culture shock

Learning Objectives

Upon completion of this unit, students should be able to:

1. Discuss the strategic importance of expatriate selection.
2. Explain HR policies that influence selection of an expatriate.
3. Identify expatriate retention issues.
4. Explore the role of women in MNCs.
5. Discuss the variations in the labor relation systems of emerging nations.

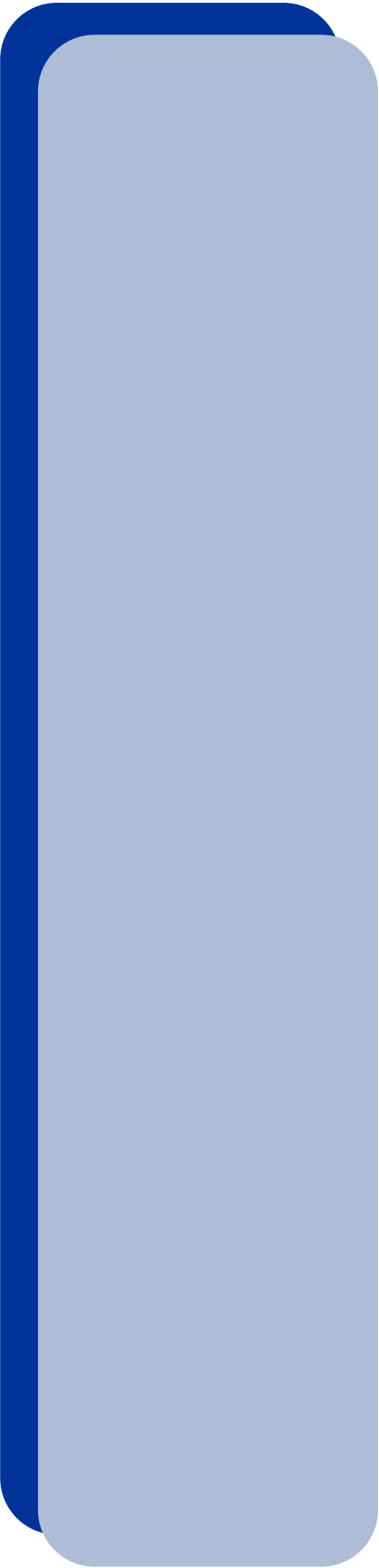
Written Lecture

International Human Resource Managers (IHRMs) are responsible for selecting, training, compensating, and retaining expatriates to serve an international business. When selecting the expatriate, they need to assess the past success and failure of that prospective employee. The expatriate needs to adapt to a new place, a new culture, and a new language. The IHRM needs to adopt special training techniques to prepare the expatriate for an international assignment. Compensation should be enough for that employee and his/her family to accept a position abroad. Many expatriates resign after coming back to their home countries. Therefore, IHRMs need to retain the expatriate and ensure his/her career advancement. Successful international assignments start before assigning the expatriate to a new international position, and some of these aspects link to a spouse or family. In order for an employee to be successful in an expatriate assignment, IHRMs must include any spouse or family in their considerations.

The textbook describes the negative effect of an expatriate's assignment on dual-career couples. It states, "They cited spouse dissatisfaction as the primary reason, which they attributed to cultural adjustment problems and lack of career opportunities in the host country" (Deresky, 2011, p. 353). The textbook also describes companies' efforts "to address the dual-career dilemma" (Deresky, 2011, p. 359). These are primary causes of expatriate failure, i.e., return home before the assignment is complete.

Imagine an American who took a job with a large oil company in Saudi Arabia, and moved his wife, three small children, and one unhappy cat to Dhahran, Saudi Arabia. Approximately a year later, they returned to the U.S. much earlier than planned. They claimed culture shock was too much for them and the pay did not adequately compensate for the lifestyle change. The employee was given training and orientation classes before he left but the wife was, in her own words, "a prisoner in the American compound." A female in a Muslim country is likely to feel a loss of freedom and/or culture shock.

There is much to explore on this subject. Much has been written about the effects of transfers on dual-career couples. Today, can a successful career person be expected to give up a job to join their spouse in an overseas assignment? Could a company make job placement for the spouse part of the orientation, and even assist in locating meaningful employment?



Transferring an employee overseas when they have a trailing spouse (the spouse of the transferred employee) who also has a career presents unique challenges to the Human Resource Manager (HRM). No distinction is made here between male spouses and female spouses; but there is a distinction between a dual-career versus a dual-income couple. A spouse who works to "help-out" is much less of a challenge versus a spouse who has a career as an integral part of their self-definition. When people meet for the first time and ask, "What do you do?" we see the effect of a job/career as being part of one's self-definition.

Making an effort to attend to the spouse's self-esteem, and transferring what might have been a meaningful purpose in life for the spouse into a meaningful purpose in life in a foreign country, should be a primary goal for organizations who are concerned about the success of the expatriate.

Companies should provide language and cultural training for the spouse as well as for the employee. (Remember GLOBE cultural dimensions?). Companies should focus their attention on a spouse's ability to develop relationships as well as the employee. A custom plan should be made for every spouse.

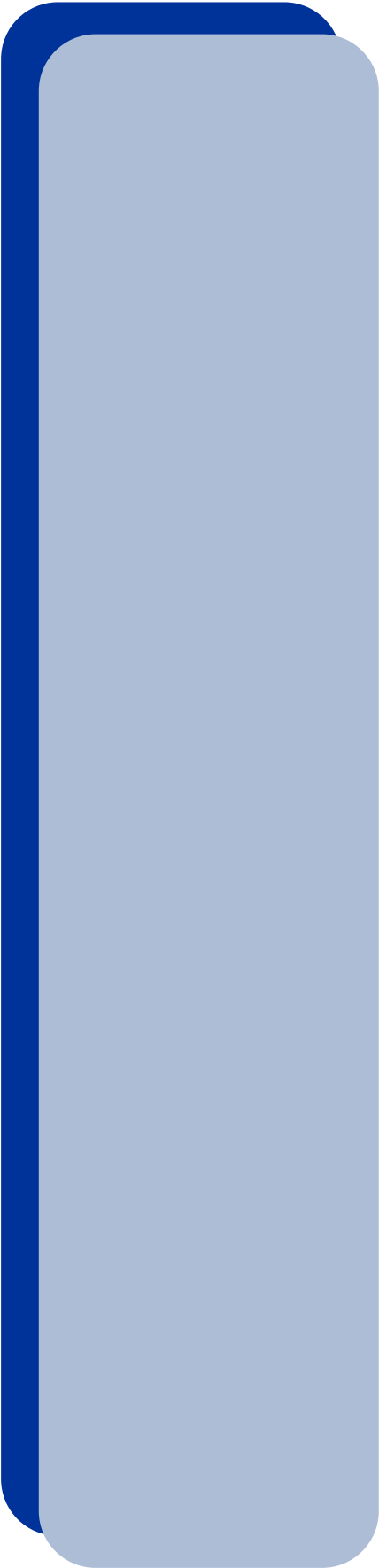
Companies should put the same emphasis on the needs of the spouse as they do for those of the employee under consideration for the assignment. This should be done in the selection phase of the assignment. Bringing the spouse into the discussion of the foreign assignment as soon as possible is a logical first step in creating a comfort level with the spouse. Since some transferring expatriates could underestimate the significance of disrupting their spouse's career, this should be a mandatory step prior to transfer. Perhaps even psychological testing to ascertain the degree of compatibility of the spouse with the proposed assignment would be in order.

A reconnaissance trip for the spouse should be scheduled at least six months prior to international relocation to give the spouse a realistic preview of the assignment. This should be a trip that is long enough and structured enough to explore areas of concern, including job opportunities. Turnover cost is more expensive than travelling cost. The company should pay for this trip and provide support, with letters of introduction. The company should provide the same level of support to the spouse seeking employment as they would if they were forced to terminate an employee due to "downsizing." These support mechanisms should include reimbursing the spouse's expenses incurred while seeking employment, or for continuing their education. Work permits, resume preparation, and placement agencies are examples of expenses that should be reimbursed. A host country national should be assigned to provide a mentor/sponsor relationship. Support groups and professional counseling should be included in the services given to the spouse.

If the spouse was able to continue some or all of their work prior to relocation, the company should offer "commuter" expenses, i.e., trips back home and related expenses incurred by the commuting spouse. This may well be the best plan: Let the trailing spouse keep their previous job.

Perhaps even working out a deal with their current employer; sort of a CEO to CEO type of deal. "You keep Mr. or Mrs. Smith employed and we will do our best to make it work for you." If the spouse's current employer could offer specific tasks, perhaps helping that company also "go global and think local," could be a win-win-win deal.

Perhaps the spouse wishes not to continue working. Setting up volunteer work/activities with social service agencies in the host country should compensate as a meaningful purpose in life. This could be a viable option to



employment, sort of a corporate version of the Peace Corps. Perhaps the spouse wishes to continue their education; this should be an easy problem to solve. Pay tuition for the spouse at the local university or a distance learning university. CSU probably has some of the students who are trailing spouses of either expatriates or military personnel. This could easily be as important as reestablishing an existing career.

The company could also employ the spouse, perhaps in a subsidiary, or encourage a supplier to hire the spouse. Be careful of the corruption/ bribery issue, however.

The company might pay a married expatriate more to compensate for the loss of the spouse's income. How would you feel about that if you were a single expatriate doing the identical job for the same company?

Dual-career couples are a reality and one that is increasing. Most expatriates are married and most have spouses that are employed. Most of the employed spouses have *careers* instead of jobs. Corporate relocation policies written for a stereotypical married male, whose spouse is at home, may likely lead to the failure of the expatriate. Relocation decisions need to be based on both partners' career goals. Companies seeking to reduce their cost in expatriate failure should invest in the trailing spouse. Taking a proactive approach in corporate support creates a corporate infrastructure to help the spouse achieve a meaningful purpose in life, and it makes good business sense. Without such a plan, the likelihood of significantly more expenses, associated with failure, could occur.

Finally, there is the repatriation issue. When the dual-career couple returns, the company needs to provide the same resources to assist the relocating spouse in finding appropriate work at home. The company needs to support the returning spouse. The effect of not having a meaningful purpose in life will create stress for the family.

The trailing spouse's issues are as important to the company as those of the employee with the assignment, and perhaps even more so.

Reference

Deresky, H. (2011). *International management: Managing across borders and cultures* (7th ed.). Upper Saddle River, NJ: Prentice Hall.