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International Training and Development

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ABSTRACT

It is widely accepted that effective management of human resources will bring about increased organizational and employee performance. Based on this, the area of international human resource management (IHRM) has gained increased interest, especially with the continued growth of multinational corporations and globalization. Many IHRM practices and theories have been developed since the emergence of international business. The boundaries of IHRM are established within the concepts of MNC management across diverse cultural work practices as well as comparative international HRM among organisations. In this paper, I will reflect on these concepts as applicable in the practices of international training and development and performance management and compensation. My reflective essay will explore these topics with a key interest in expatriates who are affected greatly by these international HRM because they work on foreign assignments.

1. Introduction

The increasing influence of multinational corporations has brought about a rising interest in international human resource management (HRM). This growth reflects the heightening recognition that effective human resource management is a key determinant of an organization's business success. As a result, one key area taught in schools, especially in tertiary education, is international HRM to ensure as students join the corporate world, they do not underestimate the complex nature of human resources management challenges, especially when it comes to international business operations [1]. As employees are considered to be important assets of any organization, training, and development are given core priority not only in literature but also in practice [2]. A critical reflection of my knowledge throughout my course of study would shed more light on the significance of studying international HRM concepts.

1.1 Universalism

Initially, while starting the course on international HRM, I had assumptions that have since changed as I progressed with this course. I did not perceive that there was a significant difference between training and development for small local organisations and MNCs. I thought that both local

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and national organisations face similar issues and complexities. I hence thought that training programmes were universal in the international context and that a training programme in one country to be used in a different country. However, I hold a different view after learning about Hofstede's dimensions of culture that portray that cultures related to countries and societies are deeply embedded in their minds compared to other cultures [3]. Hofstede's six dimensions illustrate that individuals from different countries have different values, perceptions, behaviour, and point of view, which makes it hard to apply for training and development programmes universally to all countries [4]. Since people are culturally-bound, each of these dimensions affects their work-related cultural values and determines to a large extent, the relations and behaviour of employees of various cultural backgrounds in an organisation.

From his cultural difference concepts, I learned that training programmes that have worked well in one country might fail to be effective in other countries following differences in employee behaviour, work practices, language, and culture. I also had no idea that cultural differences had any significant influences on international training and development. This course on international HRM made me understand that cultural differences actually have significant impacts on the effectiveness of training programmes as also portrayed by a study [5]. For example, employees from China have different expectations regarding the interpretation of feedback compared to employees from the US. Organisations have to understand such differences in order to adjust programmes according to the country's context. Besides these assumptions, I learned quite a number of concepts on international training and development.

1.2 Cultural differences

Contrary to my initial thoughts that international training and development was easy, I learned that it is actually a complex process that calls for a lot of planning, resources, and coordination between employees and management. Organizations have to consider various factors, among them being cultural differences, legal requirements, and language barriers, as they differ from one employee to another depending on their cultural or national backgrounds [6]. With respect to these factors, I learned that there is no best practice. Rather, organisations should tailor training programmes to the needs of employees within their specific workplace. For example, a study argued that there is a lack of theoretical perspectives on best practices regarding training [7]. Rather, most empirical studies suggest the need for establishing good internal fit as this leads to more positive outcomes for every type of firm. A study also argued that best practices in training were limited. Based on these assertions from course concepts and literature, I learned that organisations should seek strategic alignment of training programmes and their business strategy plan. This is because learning transfer should ensure the skills trained are used on the job, which may be different from one organization to the other. Therefore, it is more appropriate to identify specific knowledge and skills needed within the organization or related to the firm and design training programmes based on them. This ensures a firm has a clear international training and development strategy. The strategy covers the employees in need of training, funding of the training, and evaluation of the effectiveness of training. This ensures that training efforts are successful and benefit the organization.

This course essentially expanded my thinking which was initially limited, and I went ahead to conduct some further research to understand the concepts better. I interviewed Melen, who has experience working in an international organization for many years. Melen stated that she had a first-hand experience with the importance of training employees before going for international assignments. She said that she had to be trained in the American culture and how the experience might be different from what she was experiencing in China. This training equipped her with knowledge of the goals of the foreign assignment and how to align them to the broader

organizational strategic goals, language barriers, and cultural differences employees would face, competence, and also risks of miscommunication. She talked about different cues having different meanings in different countries, which would make things like negotiations between people from other countries fail. I think her statements demonstrated how important training was and also how cultural differences may be critical factors to consider. This protects employees from cultural shock, which may contribute to the failure to achieve organizational goals [8]. Thus, training and development are important for reducing the failure rates of international assignments as problems of adjusting are minimized.

2. Role of Compensation and Rewards

Managers and organisations benefit or get better value from rewards because the behaviour and work spirit of employees is driven by the organizational values. For instance, if an organization rewards employees for improved performance, chances are employees will work harder to improve their performance. For example, I came across a TED talk video by Dr. Chris Shambrook, who said that performance management maximises the chances of getting better results because employees are tuned to work on performance development, hence will go home at the end of every day thinking what they have done today to improve their performance [9]. He also said that employees would then compare what they did with the "my-to-do" list to see if they got a difference. As a result, this system of performance management drives certain behaviours and attitudes [10]. From this TED talk and the concepts I have gained from this course, I realized that it is critical for firms to clearly define performance to influence employees to understand it from the organisation's perspective. This ensures a shared view of the meaning of performance and how both the firm and employees can collectively strive for higher performance. In international performance management, reward and wage systems have to meet each country's legal criteria [11]. In this paper, I will offer my reflection on performance management and total rewards, where I will highlight the key learning areas and important concepts in regard to the topic.

2.1 Cultural differences across regions

Performance management is a common topic in both literature and practice. It refers to ways of measuring and ensuring that everyone's activities in the firm align with the overall goals, mission, and vision of the organization [12]. An effective performance management programme is one which details the measurement of performance and what it means in a particular organization and also offers timely feedback to the employees responsible for task completion [13]. Reflecting on performance management, I realise that it is crucial yet complex when it comes to international settings because of the different cultures, values, and contexts between one country and another. As I progressed with my course and career in the business and corporate world, it got clearer to me that the traditional performance management strategies organisations use in domestic settings cannot always translate smoothly to international contexts. This is more so the case when the context is performance management on expatriates. Upon learning about language barriers, cultural differences, and variations in business practices across countries and regions, I understood why performance management and related issues should be context driven and evaluated accordingly. For example, I once visited a Chinese workplace that had workers from Europe and the UK and a good number of local Chinese personnel. Such a work context needs different ways of fascinating the employees. A study suggested that money cannot be the only single motivator for retaining workers for longer periods [11]. Rather, total rewards play a vital role in effectively managing international performance.

Nevertheless, I also found that some firms evaluate expatriates using domestic performance management systems but with the input of the expats. The most important considerations and challenges include the unique contextual factors of the host country, like cultural norms, balancing performance metrics and different compensation laws in various countries and regions [13]. This is because these factors affect how expatriates are perceived in and out-group. This similarly affects the kind of local support expats get, in turn affecting their performance.

3. Approaches to international compensation

Nevertheless, I learned that firms have different approaches they can still leverage to manage international compensation. Companies using the market compensation policy rely on the going-rate approach for particular jobs in a certain market. Those firms using the market plus philosophy often determine the going rate and then offer an additional percentage to it, like 5% [14]. The selection of either of these strategies depends on other factors. For example, I learned that most companies that use the market plus philosophy operate in industries with cutting-edge nature, and hence they require the best-skilled employees, which should be managed effectively. The market minus philosophy ties to other core values of a company. For instance, companies requiring an unskilled workforce will use the market minus philosophy because they can easily and cheaply replace it. The second approach is the balance sheet approach, whereby MNCs base pay on typical market values of the home country and provide additional payments depending on the context. This is common for employees on foreign assignments as it creates equity between them and those located at the headquarters. However, it is disadvantageous because the home and host countries have differing pays which may raise issues of unfairness. For instance, Hong Kong citizens often get more rewards than expatriates. Such instances can have tax implications and impact on other employee behaviour and adaptation to the country.

3.1 Universalism vs. convergence

The universalist notions are not new but are highly criticized by practitioners and academicians for believing in diversity. I have noted through my study of HRM concepts that common patterns are emerging across industrial states. Even so, cross-national variations still exist in different aspects of employment relations [15]. A quick peak at HRM across different Asian economies brings into the picture modern variants or universalism as well as convergence, making the issue of comparative HRM complex and worth questioning. Further, I have come to learn that HRM developments are not just unidirectional. The course presented me with varying employee management styles that emerge within the concepts of International comparative HRM.

One key observation I have made is the grouping together of economies based on cultural and spatial proximity. For instance, "Asian" economies are pinned together [16]. I thought of this underpinning as a foundation or suggestion for intra-regional convergence. However, a closer look made me realise the regional range of economic development stages that allow one to explore the convergence between two or more countries, such as Korea, Japan and Taiwan and Thailand, and China, as well as their Western equivalents. From this comparison, I found that regardless of the similarities and spatial and cultural closeness, there are many factors that constrain convergence and actually suggest divergence. Nevertheless, when I closely analyse recent literature on international HRM, I tend to think that convergence across national borders cannot be considered a foregone conclusion. I came across this analogy of a see-saw whereby developing countries with high growth rates are on one end and developed countries with high incomes are on the other end. Over time, the high-income countries and low-income countries converge in terms of per capita GDP. From this analogy, this convergence thus appears to be an outcome of a previous divergence.

International finance, trade and globalization pressure organisations to standardize their policies and practices. However, I see substantial evidence suggesting that labour forces, institutions, and local customers offer substantial constraints on the degrees of convergence and can bring about increased levels of divergence. The causes of divergence include the differences between different economies, which greatly affect the area of HRM, as explained by a study [17]. The first one is culture, whose popularity was put forward through the work of Hofstede. Hofstede's framework is based on the idea that relations and values of the contractual, societal, and familial kind are very significant to humans everywhere to the extent that the differences in culture are key variables in the comparisons of many aspects and areas of management, like human resource management [5]. For instance, values are evident when making comparisons between managers of US origin and those from Japan. For US managers, individualistic values are very evident, while Japanese managers reveal collectivism. I see similar differences are evident in social relations, whereby women in Western society and those from Asia reveal varied roles which may affect their management and motivation at the workplace [17]. As a result, women employees from Asia and the US will require different HRM practices. Generally, I think this is what made Hofstede conclude that "organisations are culture-bound". It implies that there may never be universal practices to the issues of management and organization.

Even so, I have, throughout my understanding of HRM, questioned if differences in international management can be based on people's attitudes. I have met several arguments stating that cultural-based claims overstate the issue of HRM management. This is because I see many Asian firms which have managed to successfully set up operations in many diverse regions of the world through the use of local indigenous workers with broad ranges of values. Many theories and concepts are based on individual perceptions and history and neglects how these values have changed, especially with technological development [18]. For example, Japan currently has individualistic ideas from the West. Employers have to consider these changes in work practices, as a study suggested [19]. I also initially thought that with technology and globalization, culture, institutions, and individual values do not influence HRM.

Further, I have not been able to see if Chinese companies have developed HRM practices. All the HRM concepts appear to be Western styles. Even so, I have read and observed many HRM approaches occur in Western-Chinese contexts. I feel more factors determine the adoption of human resource management styles in Western and Chinese contexts. For example, Chinese businesses may use Western HRM styles because they need to enter their foreign markets and need to understand their partners and competitors [20]. The question is whether failure to learn from Western partners and relying on cultural and individual values solely can cause conflicts between partners from the two countries. Nevertheless, the need to shape HRM functions so as to support business strategies remains core to management. Such developments are also evident in contemporary reports in quality magazines and newspapers.

Parallels can be drawn from these three topics, especially on the issue of cultural differences. In all three topics, culture seems to influence international HRM as a broad range of literature and observations show that regional differences and national contexts affect the HR management practices in MNCs. My major learning is that the management of human resources in the international context requires great knowledge of the national cultural characteristics. I deduced that this is the reason organisations going international require implementing particular modifications on their former ways of doing business in the area of HRM. From the importance of culture propagated in the three topics of international HRM, I understand that it, to a great extent, determines the characteristics of all other country systems like regulatory laws, which further implies that culture

leads in terms of important factors to be considered by MNCs. Culture also plays a leading role in the design and development of international HRM.

3.2 Comparative HRM

Since national culture is significant in different areas of international HRM, I can clearly single out that the concept of comparative HRM is a special segment. This segment has been found to evaluate the differences in HRM content between nations from which national cultural characteristics emerge. Additionally, in designing international HRM procedures and policies, it is important to be aware of the dimensions of the national cultures of every particular country in which a subsidiary is located [21]. This bears in mind a key observation I made – that culture is dynamic and not static. This is because it changes with time if I draw from the findings that countries that initially were found to have collective culture currently have individualistic values. My reflection pointed out that such changes have two key directions, which are reducing the differences in culture between countries (convergence) or deepening the differences, also called divergence. However, from the critical reflection on international training and development, performance management and compensation and comparative HRM, I perceive cultural divergence and convergence as two extremes. They are positioned at two opposite sides, which is why researchers have been unable to reach an agreement on whether international HRM faces divergence or convergence [22]. I believe that what happens with these cultural differences and influences on HRM is adaptation, as mentioned previously.

3.3 Country of origin effect

Besides that, international HRM on the three topics discussed above brings the issue of the country-of-origin effect. During my research, I learned that the effect of country of origin first came into the picture in HRM theory following Japanese foreign investments. The Japanese economy showed spectacular economic performance, which drove organisations to perform massive foreign direct investment. At the same time, the international HRM system of Japan was transferred, contributing to the "Japanese success" [23]. More recently, this effect achieved greater attention in Ireland and the UK, where foreign investments have become active. This game rise to interest in the influence of MNCs in HRM practices or the differences in HRM practices between the country of origin and host countries.

While I originally thought that the employees sent on national assignments and subsidiaries should focus on the values of the host country, the concepts learned in this course and in the literature revealed otherwise. For instance, performance management and compensation have to be implemented in subsidiaries to transplant the practices in the country of origin and conform to the local practices in the host country. The predominant role of country-of-origin and also the local environment in MNCs are widely accepted in literature. For this reason, Chinese firms are adopting Western HRM strategies to implement in their international business management [18]. On the other hand, ethnocentric approaches also underline the important role of headquarters in imposing practices and patterns of HRM to their foreign subsidiaries.

4. Conclusion

I still have a lot to learn and manifest regarding international HRM. My experience in the corporate world and international management is still limited, so I have to continue making sense of the diverse viewpoints concerning international HRM. Nevertheless, this reflective essay has enabled me to delve into a thoughtful level of thinking. I was in a position to explore ideas and process concepts of international HRM in a more critical manner. This enabled me to understand international training and development and performance management and compensation in a

broader context. Additionally, the reflective writing on these topics helped me use my analytical skills on my own experiences, opinions and thoughts and understand them against theoretical concepts learned throughout the course and in my own external academic research. This writing, thus, opened widely a chance to document concrete experiences and understand international HRM better, especially the aspects of comparative HRM, cultural differences, and country-of-origin effects that influence every dimension of international human resource management.

Conflicts of Interest

The authors declare no conflicts of interest.

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