Corralling the “Horses” to Staff the Global Organization of 21st Century

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**Executive Summary***

Until recent decades, difficulties associated with distance, time, and culture limited global travel to longer, less frequent business trips. Expatriate assignments were the main option for extended business representation by the parent company in host countries, mitigating some of these differences. As staff can now travel globally and rather effortlessly, they are able to communicate more easily. The problems associated with long-term assignments increase (i.e., costs, family relocation, dual career couples and the like), have been somewhat abated. This paper examines the various types of global assignments, some of which have been somewhat neglected in global human resource management literature.

A competency based perspective of global staffing is used to compare and contrast the three most distinctive types of global work assignments: those being the expatriate, flexpatriate, and inpatriate. These types of assignments contribute to the development of global competence through cultural immersion, self-management of development, and managing as a virtual worker. The implications of these newer forms of global assignees have a direct impact on global selection, training, performance appraisal, remuneration, as well as personal work-life balance. These issues are important as businesses put more emphasis on the development of global competencies in their global workforce.

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Introduction

Shakespeare’s prophetic line from his play, *King Richard III*: A Horse, A Horse, My Kingdom for a Horse has renewed meaning for human resource managers in global organizations. Staffing global organizations (e.g. finding an adequate number of qualified horses) has become significantly more difficult given the complexity of competing in the global marketplace. Daniel Hanyzewski, Nike’s global staffing director, laments that Nike’s business could grow its business significantly more if they could effectively staff open and new global management positions. Globalization of business complicates the staffing in emerging markets. Where can one find managers who have experience in emerging markets, not be too prohibitive from a cost standpoint, and at the same time are willing to relocate their families, as well as dual-career spouses, to the emerging markets for 20-25 years? That is the conundrum that is facing global human resource managers today.

Global organizations need to develop global plans to address the shortages of human capital to help insure their competitive position in emerging markets. Emerging markets (e.g., Mexico, Brazil, Argentina, Poland, Turkey, South Africa, China, India, South Korea and the ASIAN countries), have the following characteristics: 1.) They will represent 7/8 of the global population in the next 30 years; 2.) 93 percent of the population growth in the world will be in emerging markets (therefore, increased demand for goods and services) in next 20 Years; 3.) Their relative rate of economic growth/development will be at 5-10 percent rate per annum; 4.) Increased rate of foreign direct investment (FDI) in these emerging countries due to greater opportunities than in many of the developed economies; 5.) Rapid shift from agrarian to industrial societies heightening the need for goods and service to be delivered to the relocated
indigenous inhabitants; 6.) Inordinately youthful segment of the population where 30-40 percent of the emerging economies’ populations will be under the age of 20; and 7.) Increase in the rate of urbanization and industrialization creating both economic and social opportunities as well as the concomitant problems in these emerging economies.

The globalization of business creates a more complex external environment and at the same time requires more globally ‘prepared’ managers. For example, with the growth of importance of emerging markets, circumstances will necessitate that global managers learn to manage in markets that are both culturally and economically distant from those of industrialized countries. In a recent McKinsey Global Survey, the lack of qualified global management was identified as having a significant negative impact on global expansion and the bottom line in those companies surveyed. Therefore, it is imperative that new staffing alternatives are developed and compared to the more traditional staffing option of transferring expatriate managers to post industrial economies of Western Europe and North America.

Global organizations (e.g., Caterpillar, Heinken, PepsiCo) are faced with a global marketplace characterized by very high uncertainty, diversity among global competitors, rapid technological change, widespread price wars, and seemingly endless reorganizations. A review of issues being mentioned in studies of globalization suggests that organizations will have to depend on the availability of globally competent managers to lead their organizations. British and Qantas Airlines access flight crews from around the world in order to reduce staffing relocation costs and to cater to the needs of the flying public in a culturally sensitive manner. These airlines have found that costs are lower and customers have high
satisfaction with crews that fit the customer profiles of the airline. The firms that develop the most effective amalgamation of global managers will have a great opportunity to enjoy success in the dynamic global economy. By leveraging, learning, and utilizing different global managerial competencies, organizations can gain global competitive advantage. The competence-based view of the global organizations addresses the issues of coordination in internal transfer of tacit and explicit knowledge within the global organizations.

The managerial key to selecting global managers is contingent on them being utilized in an effectively manner once selected. Agilent Technologies uses Recruitsoft systems to assess the multicultural awareness and interorganizational competence of potential candidates for global positions. The value creating relationships through these managers rests on the development of pledges and acts of commitment that binds relationships together as a global competitive network. Commitment and trust are the foundation of personal competenices because both concepts encourage organizations to view potentially high-risk actions as being prudent due to the the belief that their relational partners will not act opportunistically. Global staffing needs to incorporate this tenet in the selection and training of managers who are destined to tie the complex global network organizations together to compete effectively in the global marketplace. In order to expand the potential pool of global manager candidates, Agilent uses a global employee referral program that rewards employee referrals who match the cross-cultural awareness profiles for global managers.

One of the considerations when selecting managers to fill global positions is tied to the degree of tightness-looseness of the host culture that the manager is moving to during
their assignment. The tightness-looseness (e.g., the strength of social norms and the degree of sanctions within societies) paradigm can play a central role in what managers need to know to succeed in the global marketplace (see Table 1). If managers have a different cultural orientation, their adjustment to the host country culture relative level of tightness-looseness can be instrumental in their ability to effectively function during their foreign assignment. The fit between the host country culture and the organizational culture in host countries can also play a significant role in socializing global managers who transfer into a host country organization. Therefore, cultural fit between the global managers’ tightness-looseness background can play a critical role in the success of the manager. The cultural characteristics illustrated in Table 1 highlight the types of change that managers will have to make to successful acculturate to during an overseas assignment. It should also be noted that the different pools of candidates for global jobs could/will have different levels of compatibility with the cultural tightness-looseness they will experience during foreign assignments.

*****Insert Table 1 about Here*****

Global Staffing Options: Expatriate, Flexpatriate, and Inpatriate

Expatriate managers are compared with two more contemporary staffing options - flexpatriation and inpatriation. Each of the two more recent devised staffing options will be developed more fully than that of the expatriation staffing option. The rationale for taking this approach is that the literature is replete with articles on the value of expatriates as well as the problems associated with using them in global organizations. There has been much less attention given to the evolving staffing options of flexpatriates and inpatriates.
Therefore, expatriation will be used as a baseline staffing option for global organizations in the 21st Century. This approach is consistent with what Dow Chemical Company when they compare the three different pools of candidates for global assignments. Dow’s strategic HR planning process and the roll-up of annual assignment/hiring plans is consistent with global manpower needs of the global aspect of their business.

The need for global organizations to develop a globally competitive and capable workforce if they are to survive is well recognized in the literature. In a Pricewaterhouse/Coopers Global Assignment, Global Policy and Practice Survey reported that even with the anticipated slowdown in the global economy, organizations continue to expect growth in the number of global assignments but still find a dearth of qualified global candidates. A critical concern has been to identify how organizations achieve their objective for control and coordination, knowledge transfer, and staff development through appropriate staffing policies and practices. There are two broad contrasts in global staffing options. The first is an ethnocentric policy, which is based on the premise that parent country nationals are the first choice for global or parent country positions. The second incorporates either a region-centric or geocentric policy where the best person for the position is chosen regardless of their country-of-origin. With its emphasis on the movement of parent company nationals to overseas locations, expatriation is an ethnocentric staffing practice that is considered to be an important instrument of global workforce development and organizational control.

Over the course of the years, the fact that the circumstances of long term expatriate assignments have changed both from the organization’s (e.g. better transportation and
communication systems, organizational networks, flexible intra-organizational coordination of global units, cost containment initiatives, and expensive support of expatriates) and the employee’s perspective (e.g., decreasing willingness of staff to relocate with the family due to the increased number of dual-career couples, and other constraints such as aged parents, single-parent families), necessitates global work to be more flexible in nature.

**Expatriate Managers: Developing and Utilizing a Traditional Governance Competency**

It is a widely held view that, “managers need to live and work in a foreign environment, to be exposed to the full rigour of learning new aspects of business, cross-cultural management, and personal and family adjustments to be effective leaders in the 21st Century.” It has been discovered that managers thought that organizations wanted staff to have had some experience of working in another culture early in their career. The reason for this was the strong possibility that their work would bring them in contact with people from different cultures. These experiences are considered important for the development of the personal competencies of global managers for enhancing communication and trust, building networks, and generally aiding in the global integration and local responsiveness of the organization. However, it is unclear whether the experience of one or more expatriate assignments is more significant than a variety of global experiences in creating a globally competent manager. To address this issue, IBM uses an Information Processing Aptitude Test (IPAT) to analyze all applicants headed for global positions. In addition, IBM uses Behavior Based Structured Interviews (BBSI) to screen internal as well as external candidates being considered for global positions. IBM was able to identify candidates with a
propensity and/or a willingness to undertake global assignments that helped to reduce failure rates of overseas managers.

Although the popular view is that expatriate assignments provide a means to address control issues for global organizations, they also can present major problems. The success rate of expatriate assignments and the impact of these on the organization and the individual are key issues. Well-documented problems relate to the failure of assignments, although the true extent of failure rates may have been over-estimated. Failure creates organizational costs indirectly in terms of lost business as well as damaged business relationships and more readily definable costs in the early repatriation of the employees and their families. For the individual, failure can mean a breakdown in family relationships and loss of personal self-esteem, as well as impaired personal and work relationships. Problems with selection, preparation, and on-going support arise because the choice between expatriate assignments and use of local employees relates not just to the strategic purpose of the assignment but also to the cost of expatriates and the availability of suitable personnel from the host country.

Even for successful expatriate assignments, the costs to the organization may be high, including the financial costs of relocation and incentive compensation, and the less frequently considered costs of repatriation of the employee and their reintegration within their primary domestic environment. Underestimating the time it takes to overcoming the culture shock after entering a culturally/economically different environment can often take up to 18 months. At first the expatriate is excited to be at the new location, and then is irritated by the effort to takes to accomplish what once used to be easy tasks. Only after
several months of active psychological fighting is the expatriate ready to come to terms with these differences, and eventually function successfully. Even though there is an extensive literature on the expatriate assignment cycle, criteria developed by IHRM departments are widely ignored in practice. Motorola, the global communications and electronics company attempted to circumvent this practice by preparing a book of issues and questions that was sent to all HR managers making global hiring decisions. This standardized, structured interview process was of particular value when developing global data bases used by HR managers all over the globe to access potential recruits.

Future availability of staff for expatriate assignments may be one of the issues leading organizations to consider other global staffing options. At one time expatriate assignments provided a way to travel the world which was not so easily accessible to managers. But, the reports of failures of many global managers has reduced the ‘readiness’ to relocate overseas of many of those that would be considered prime candidates.

Today there are a wide variety of opportunities to travel and experience other cultures reducing the attractiveness of ‘up-rooting’ the family for the opportunity of taking an expatriate assignment. If managers have seen other countries on television and visited them on their holidays, the attraction of actually relocating to another, particularly emerging country may be reduced. Not surprisingly then, after one expatriate assignment is completed, not everyone wants to continue with further relocations and few people have the psychological adaptability in conjunction with physical strength to organize the move to take on another foreign assignment. For some, the lifestyle of taking on expatriate assignments is addictive; however, in this case, expatriate managers.
Other expatriates integrate and prefer for various reasons to emigrate to a new culture, while at the same time other expatriates prefer to return their family to their home country. Short assignments, cross-border exchanges, or assignments as part of multinational work teams and global commuting are likely to become the preferred modes of global assignment in the future because they do not require relocation. In particular, the increased use of global task teams as mechanisms for coordination and integration creates more opportunities for a more multinational focus than the more typical fixed-term expatriate assignment.

Families with increased dual-career couples and female expatriates have highlighted the reluctance of some expatriate managers to accept overseas positions due to the disruption it would cause to the children’s schooling and trailing spouse’s careers. With such a frame-of-mind, employees are making the statement that family adjustment is still an important if not the most important variable to consider in taking on a global assignment. Trailing spouses may therefore become inordinately expensive (e.g., due to the loss of income and professional status) for the global organizations to address. The recommendations for facilitating their successful expatriation relocation include counselling, realistic previews of career opportunities and educational opportunities, professional global placement assistance, support for commuter living, if required, and other remedial perks all of which are utilized by major global companies like Nike, Procter & Gamble, Shell Oil, Texas Instruments, General Motors, Ford and others. Further, it is more difficult to assign people to emerging economies than to popular locations in developed economies, many of these managers/families are often unwilling to take assignments in emerging economies due
magnitude of differences in the culture and/or economy and due to the lack of support for individuals in new emerging economies.

**Flexpatriate Managers:**
*The Role of Project Management Competence in Global Staffing*

As implied by the label, flexpatriates offer organizations flexibility in that they may be working concurrently on a number of different tasks, in a number of different locations and cultures with flexible travel schedules. Mercer HR Inc. conducted a study of over 220 MNCs, which reported that 39% of companies had increased their use of short-term overseas managers. These employees were ‘global’ in the sense that they travelled widely to other countries on behalf of their organization on a variety of schedules and represented various levels within the organization. The advantages proposed for expatriates can apply to flexpatriates who, through their travels and wide contacts, can become a major source of information that is relevant to developing relationships in global networks and supporting the informal nature of knowledge sharing.

Less well recognized, for example, are flexpatriate German quality engineers with managerial and technical responsibilities in the clothing industry. These managers travel constantly in Eastern European countries, returning regularly for briefings and spend weekends with their families. In a recent European survey the difficulties employers identified with flexpatriate assignments included direct/indirect cost associated with flex assignments, burnout, and a lack of policies (e.g., lack of well articulated standard operating procedures for flexpatriate managers) for short-term assignments overseas. From an administrative perspective, management was concerned with issues such as the cost-of-living and compensation to employees who are required to be away from their home, their
family and friends and usual non-work activities, without establishing an alternative long-
term domicile location. In contrast to long-term expatriates there is a high incidence of
family separation and some organizations considered that such assignments might only be
more suitable for employees who were single or of a younger age group. Regular or constant
travel involves sleep deprivation, time pressure and unavoidable changes in eating habits
and life routines. In addition to pre-trip preparation stress associated with planning the trip
and settling outstanding family and work tasks, they will also experience post trip stress
associated with ‘catching up’ at work and at home.

Flexpatriate assignments can create a conundrum for MNCs in terms of the extent to
which they should become involved in assisting employers in managing a potentially
stressful life-style if HRM departments turn their focus on this staffing option. There is no
relocation of the family but the personal/family life of the flexpatriate is likely to be disrupted
in other ways that, unlike for expatriates, are not readily seen to have an extensive, direct
relationship to the success of flexpatriate work. On the other hand, travel offers the
opportunity to see different places while interacting with a variety of people and to escape
some of the demands of life at home. The prototypes for these assignments have existed on
a national or continental basis (e.g., Europe) for a long time yet their implications for HRM
have been neglected.

Flexpatriates are not resident in the subsidiary or partner organization country.
Travel is short-term and there is no extended requirement to manage on-going, daily life in a
foreign culture – primary relationships remain in the home country and the relationship with
host country nationals does not include everyday living components. Felixonics is a leading
global player in the original equipment manufacturing business, transfers technical expertise to subsidiaries to support the installation of new technical equipment from their headquarters in Hungary. For staff involved in this type of assignment, total immersion in a new culture is not required. The flexpatriate is not exposed to the stress of having to negotiate everyday issues that may have only superficial impact on their understanding of the host country culture. For example, learning to negotiate fuel stops and car maintenance may provide amusing stories back home but may not be essential to understanding the motivation of computer software specialists. Similarly, flexpatriates do not need to negotiate the complexities of a different education system for their children or expatriate community social life but can focus on more critical aspects of travelling work life, and through repeat visits.

The benefits of travel can provide insights into cultures, business practices and product ideas, and enhanced sensitivity to the concerns of host country counterparts in the organization. Fluor Corporation, one of the world’s largest publicly owned engineering, procurement and construction companies, utilizes a cadre of flexpatriate managers working in multiple offices and facilities worldwide to overcome the need for permanent relocation of managers to overseas assignments. Difficulties arise when work, travel, and personal problems interfere with receptivity to these learning opportunities. Time at home can provide an opportunity for relaxation from the relentless demands of living in another culture and the flexpatriate is not required to be totally involved in other cultures. Home country nationals may be more willing to assist the travelling flexpatriate and get to know them
informally when their help is only needed intermittently, as flexpatriates are recognized as being a temporary visitor.

The negative aspects associated with a culture shock, for example, frustration and confusion about un-interpretable signs, misunderstanding of non-verbal communication, and the reality of struggling to communicate can be (partly) avoided when home country national provides cultural mentoring to the flexpatriate manager. Often it is adjustment to everyday life issues that creates the most stress for flexpatriates. Many flexpatriates return home on occasion to avoid the day-to-day issues associated with foreign assignments and therefore, keep contacts alive in their home country/organization.

Flexpatriate assignments take on an operations perspective. They rely on researching and managing their information needs and appropriate operational support on site. In contrast to expatriates and inpatriates, who are recognized as a primary focus of corporate HRM policies, the activities of flexpatriates are largely controlled by operational managers and limited by their budgets.

**Inpatriate Managers:**
**Using and Developing Host Country Managerial Competence**

Inpatriation is “the process of selectively transferring host country and/or third country national managers into the home/domestic organization of a MNC on a semi-permanent basis.” The perceived advantages of inpatriates include: 1.) Their knowledge and insights about doing business in their own countries which will be important emerging markets but not easily understood from a parent country perspective; 2.) Their role as a contact at parent company headquarters for their own country managers; 3.) Their continued contact with important officials in their home country; 4.) Their development as a
managerial resource with a growing contextual understanding of MNC operations; and 5.) Through their presence bringing a diversity of perspectives and diversity of presence to parent company headquarters and less cost than expatriates. In comparison with expatriates assigned to emerging economy locations, inpatriates who return home are predicted to demonstrate higher levels of flexibility, better ‘fit’ with the local organizational culture, better peer acceptance, more loyalty to and confidence from parent company headquarters, and more willingness to accept the position - all of which should mean they are less of a risk than expatriates.

Many Japanese MNCs, for example, are reducing their unicultural orientation in their global businesses. Yoichi Morishita, past president of Matsushita, has ordered that top management must reflect the cultural diversity of the countries where Matsushita does business. Sony sells 80 percent of its products overseas and recently recognized the need to become multicultural. It has appointed two foreigners to its board of directors as well as hiring the first non-Japanese CEO. Sony plans to hire additional host-country nationals who are to be integrated into the top management of the parent organization in Japan. It has been suggested that inpatriation is a neglected source of relevant managerial competence for building global competence.

Consequently, it is argued that the use of inpatriates from emerging economies will accelerate globalization within an organization. Expatriate assignments can be limited to developed countries where they are more likely to be successful. Several well known companies have brought inpatriate managers into their headquarters operations, such as Guus Lobsen (Holland), Quaker Chemical Company, John Hunter (Australia), Coke-a-Cola Co.,
Cornelis Boonstra (Holland), Sara Lee Corporation, as well as the late Roberto Goizueta (Cuba), Coke-a-Cola Co. illustrate the influx of top management team members with distinctly global backgrounds. Other arguments that expatriates are needed to ensure that the organization does not become knowledge dependent on inpatriate managers and to maintain corporate control, are questionable. Inpatriates who are selected and transferred to parent company headquarters are envisaged to be boundary spanners, who, as part of the core management team, can lead developments in emerging markets and through frequent trips to emerging market subsidiaries provide direction regarding the organization’s globalization strategy, and advice on subsidiary labour market issues. Nike has developed a new management staffing program that combines an external staffing set of experts (e.g., Michigan based Kelly Services and a technology support organization, IQNavigator. This partnership will also be used for inpatriate managers.

The presence of inpatriate managers is predicted to have a subtle cross-cultural effect at parent company headquarters and at the same time help increase control over subsidiaries by assisting in the adoption of parent company organizational culture there. As integral members of the parent company headquarter organization, inpatriate career paths, and those of high potential managers they mentor, become firmly established. Cultural distance is an important factor in the adjustment of inpatriates and many adjustment issues will be similar to those for expatriates. Asea Brown Boveri (ABB), a Swedish-Swiss electrical engineering MNC, has a board-of-directors consisting of eight individuals from four different nationalities, an executive committee of eight with five managers from countries other than Sweden or Switzerland; yet, its official corporate language is English. Inpatriate managers are a
fact of life in ABB and will continue to be so as their global business continues to expand rapidly.

In contrast to both expatriates and flexpatriates, the process of acculturation by which the inpatriate becomes a loyal corporate manager requires assimilation into the organization and the parent’s country culture. The inpatriate is expected to become a parent country manager in language and lifestyle, yet play a double role as a host country national when returning to their home country. There is a process of short-term assimilation for the inpatriate followed by integration and accommodation of differences and modification of corporate culture over time. Short-term assimilation and a demonstrated ability to meet normative corporate behaviour expectations are considered necessary in order to prove themselves worthy of corporate confidence and to be accepted. The short term assimilation can also apply to family members.

It has been suggested that if the acculturation goals of the organization and the inpatriate are the same, then conflict and stress for the inpatriate will be lessened. But, at the end of the day, expatriates can flee to their homes or to the expatriate club, and receive a cultural boost on business visits to their home country. No-one expects them to give-up their culture. It is common for expatriates to feel they are outsiders and develop their best friendships with other expatriates or to experience a sense of distance from their home culture as they let go of their previous world view. The inpatriate faces a different situation and to be credible, the inpatriate must join the dominant culture.

It is questionable how effective inpatriates will be if they were to return to in their home country, how much long term multi-cultural acceptance this will bring to the
organization, and whether this is an example of what would be described as tacit cultural imperialism. The end result of this may be to create a singular global business culture rather than one that incorporates different mindsets and evolutionary paths. If there is a need to understand the dynamics of emerging markets and the cultural evolution that will accompany this, then a more functional approach may be the use of flexpatrate assignments and with it build the stable qualities needed to manage through collaborative learning, knowledge sharing, and networking. Yet, Toshiba, as many other companies, plans to utilize an inpatriation strategy to have a more representative top management and board of directors to facilitate long-run global strategies.

**Implications for Developing Global Management Competence through Staffing**

What qualities, personal as well as professional, are required to be a globally successful manager? Global competence can be understood on one hand as the summary of skills and knowledge about cultural differences, global business, and political developments that allow a global manager to act and communicate in a successful way in different cultures/countries. On the other hand, it may be understood as an attitude that incorporates a personal liking for autonomy, and a tolerance for insecurity, stress, and frustration. Can these characteristics be acquired in working life? The question relative to the necessary qualities to help insure success is difficult to answer without being clear on the definition of a global manager. One argument is that the background of most successful global managers includes a varied and continuing immersion and interest in other cultures beginning with early life and education experiences.
Overseas assignees who have experience in one or maybe two different cultural experiences are not defined as global managers. If a global manager is one who moves from one location to another across the globe, then the requirement that this lifestyle be deeply embedded in early experience seems reasonable. However, as the difficulties of finding people willing to adopt this lifestyle have become more evident, the definition of a global manager has turned more to the capability to operate with people from different locations and cultures rather than the ability to reside in those locations. A recent study in the oil field industry, discover that professionals are confronted with complex cultural situations in the workplace on a more frequent basis now that companies have started to globalize their operations.

In these circumstances, personal competencies, such as emotional stability, extraversion and agreeableness, and openness to experience, are essential prerequisites to more dynamic and learnable skills that include different types of cross cultural knowledge, stress management, conflict resolution, and perceptual questioning skills. Each of the three types of assignments, expatriate, inpatriate, and flexpatriate, has different outcomes for the organization. The organization provides different experiences and development opportunities for those on assignment. A central thrust of the discussion is that in three practical aspects of experience - cultural immersion, self-management of development and managing in a virtual workplace, flexpatriate assignments provide more advantages for the development of global competence than expatriate or inpatriate assignments.

In the selection of global managers, the relative level of cultural tightness-looseness of the culture can become central in the selection of expatriate, flexpatriate and inpatriate
global managers. Inpatriate assignments are frequently controlled and financed by functional managers and therefore, they are likely to be performance driven. Successful inpatriates are therefore likely to be highly motivated to cut across perceptions of cultural barriers and focus on the challenges common to managers across the organization. Therefore, inpatriate managers will be required to build trust based on performance and creating synergy, inclusiveness and involvement, so that in a climate of goodwill misunderstandings are resolved rather than blamed on cultural differences. These inpatriate would be most successful in tight cultures where social norms are unambiguous, level of differentiation is low and the outcome of organizational experience is orderly, efficiency and strives for conformity.

Flexpatriates, on the other hand, will be more successful when there is a loose culture because it will lack formality and will tolerate higher levels of deviation in their behavior. Due to the number of potential assignments in multiple geographic locations, flexpatriates would not have to follow rigid cultural norms (e.g., as found in tight cultures) and could have greater success when there are ambiguous roles and lax discipline. Due to the abbreviated length of stay the less formal structure in the foreign organizational culture, the looser the culture, the better for the flexpatriate.

The tightness-looseness of overseas environment becomes less of problem for expatriate managers because they can frequently be sent to one location for a specific length of time and a specific assignment. Therefore, expatriate managers’ perspective will be tempered by how to most effectively interface with the existing environment regardless of its level of tightness-looseness. The expatriate manager will focus on the assignment and
should make adjustments to meet the normative expectations of either type of environment. The key is that cultural tightness-looseness can plan an instrumental role when staffing the global organization with expatriates, flexpatriates or inpatriates.

The dynamic nature of global assignments means that standard formulas applicable to global assignments need to be modified and indeed the first task for HR departments may be to draw upon the experiences of their own global staff to better understand the dynamics of the global situation. The following sections address some of the issues associated with selection, training, performance appraisal, remuneration and conditions affecting work and personal life of global managers.

I. Selection: For many parent country managers, going into the global division of the company, they need to acquire global work skills but as these job requirements have become more common over the last two decades the need to incorporate these requirements into selection processes has increased. Fortunately, the experience of high school and university graduates includes greater exposure to different cultures through student exchange, travel, films, food, and other cultural events and information. For example, in Austria, in the biggest business school of the European Union, (20,000 students) around 50% of the students change to a foreign university in the United States, Central- or Eastern Europe, Asia, Latin America or Australia at least for one semester.

These experiences provide pointers but whether they indicate adaptability and open mindedness may depend on the style of the home culture and the social and political climate of the time. Instead, there is the option of multi-cultural recruiting which goes beyond inpatriate recruitment. Multi-cultural recruitment enhances the global capability of
the organization and means the home office becomes a training venue in cross-cultural interaction. In particular, well qualified and highly skilled immigrants and refugees may provide a source of host country information similar to that provided by inpatriates.

II. Training in Global Adaptability: The provision of cross-cultural and language training by HR Departments is often limited by relevance and time constraints. Whereas, new recruits especially those with a multicultural background, may have relevant cultural skills for expatriate assignments, those who have ‘grown’ into the job may not. For those who do not speak any other languages (and those who do not speak a specific, needed language,) there are now options that do not involve years of study. Two hours with a good language coach, and a portable MP3 player with a recording of basic phrases can make a big difference to an individual’s greetings, goodbyes and basic understanding of situations. In addition, a small translation device can help people provide the right word in the native language of a person who is working with them. Other ideas include the setting-up of a company web page on which company staff can make comments for others who may follow them to a particular location. Rather than controlling training, HRM departments can help to facilitate learning and organization by assignees and so save their energy and time. It is worth noting here that the implied outcome is not adoption of another life style or values but perspective, respect, and adaptability to work successfully together.

III. Performance Appraisal: One of the most frequently cited problems for global manager performance evaluation is that the difficulties of expatriate situations may not be fully understood by the home office manager who is evaluating their performance. The lack of understanding in the home office can be avoided because home office managers and global
colleagues can identify and work on plans for dealing with issues that may influence the outcome of flexpatriate assignments as they arise. The issue for performance evaluation then becomes not whether the difficulties are identified and understood but how they are managed.

IV. Remuneration: Expatriate assignments are widely acknowledged to be expensive because of incentives required to encourage staff to relocate. These may include higher remuneration and allowances related to expenses and the costs of repatriation. Anecdotal evidence to the authors indicates that flexpatriate staff incur expenses to the organization in their travel but generally do not receive additional pay for the long hours spent travelling and working. In one instance known to the authors, where work was ‘dangerous, arduous or dirty’, a special daily allowance was paid.

V. Personal-work Life Balance: The consequences of frequent and irregular absences from home have been mentioned in the flexpatriate section. In these circumstances it is difficult to maintain relationships and a healthy lifestyle. In the absence of other facilities, at the end of the day, it takes personal discipline to do a 15 minute work out following a DVD on the laptop, as one person we spoke to did. After a long flight and long working days, an immediate return to work can have positive and negative outcomes. On the positive side, outstanding work can be completed. On the negative side, the flexpatriate may only be filling in time and be likely to under-perform until the effects of travel have worn off. Similarly spending time at home may not be particularly rewarding for the family when the flexpatriate is tired, jet lagged, wanting attention, and probably thinking about the work waiting at the office. The HR department can be influential in establishing, with managers, the climate
within which the flexpatriate can determine how to resolve these issues to best suit their situation.

Executive Summary

This paper has outlined the issues arising from the increasingly widespread difficulty in finding an adequate number of global managers to serve in markets throughout the world. It has been argued that flexpatriate and inpatriate candidates are widely ignored by the IHRM departments of many MNCs yet, these assignments, which are a major component of global, staffing for large and small organizations, contribute to the development of global competence far more than expatriate assignments. However, even though different staffing options exist, the purpose is not to replace one with another, but supplement them for the best possible outcome for the organization in question.

Building global manager competencies is a useful prism for framing how the input, transformation, and managerial competencies of a firm enhance flexibility across different national contexts while also maintaining consistency in global policies and procedures. Flexpatriates contribute to the consistency by assisting in the creation of a global mindset within an organization and the development of a pool of global managers. We argue that the flexibility in this form of global assignment is less stressful for flexpatriates themselves and also for host country nationals since both parties have time together and time apart. In contrast to expatriates, flexpatriates on assignment in emerging economies are likely to have higher motivation, greater willingness to accept these positions, and more organizational/personal flexibility. They are more likely to be trusted by corporate HQ and yet be more readily accepted by host country nationals. These assignments incorporate many
aspects of virtual workplace operations but on a global scale with a range of workplace locations. Because they are closely linked to the operational aspects of their assignments, successful flexpatriates are therefore likely to be motivated to cut across perceived cultural barriers and focus on challenges.

The paper concludes by identifying some of the implications of this trend for HR departments for staffing globally. The use of flexpatriates requires a re-think by HRM departments about selection, training, performance management and remuneration, and the need to accommodate individual work-life situations. Multi-cultural recruitment options and the range of global work and travel experience of many staff may mean that they are more culturally adaptable than in the past and that they are able to help themselves and each other if given the opportunity. Modern technology has broadened the solutions to communication and work problems. The problems associated with performance appraisal for expatriates can be minimised because the flexpatriate is present and working with their appraisers and the costs associated with relocation of expatriates are avoided, but other costs incurred by absent flexpatriates may need to be considered. Whereas previous advice for expatriates has focused on standardised solutions, the new, more global flexpatriate is likely to be more alert to managing personal travel demands and family impacts and may only require facilitation of resources and opportunities to interact with colleagues in solving problems in the work and personal sphere.

The questions that needs to be asked is "how long has the expatriate strategy been used by MNCs? How expensive has this ethnocentric staffing strategy become? And, the ultimate staffing question; how successful has the expatriate strategy been for MNCs?"
Based on the answers to these questions, it might be time for a significant change in staffing practices in the global organizations of the 21st Century.
Selected Bibliography


### Table 1
Tightness-Looseness of Cultures

<table>
<thead>
<tr>
<th>Cultural Characteristics</th>
<th>Tight Cultures</th>
<th>Loose Cultures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Norms</td>
<td>Clear/Unambiguous (Strong)</td>
<td>Lack of Formality, Order and Discipline (Weak)</td>
</tr>
<tr>
<td>Tolerance of Deviation</td>
<td>Low Level</td>
<td>High Level</td>
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<tr>
<td>Sanctions</td>
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<td>Level of Differentiation</td>
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<td>Discipline</td>
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<tr>
<td>Role Delineation</td>
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<tr>
<td>Psychological Differentiation</td>
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<td>High</td>
</tr>
<tr>
<td>Attitude to Change Adaptation</td>
<td>Resistant</td>
<td>Supportive</td>
</tr>
<tr>
<td>Outcome(s)</td>
<td>Negative</td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>Order/Efficiency/Conformity</td>
<td>Social Disorganization, Deviance</td>
</tr>
</tbody>
</table>