

"EXPATRIATES MANAGEMENT"

**For the partial fulfilment of the requirement
for the award of the degree of**

MASTERS OF BUSINESS ADMINISTRATION

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Certificate

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STUDENT DECLARATION

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CONTENT

	Page No.
Student Declaration.....	3
Executive Summary.....	6
Acknowledgement	8
Abstract.....	9
Chapter 1- Introduction to the present study.....	10
Chapter 2- Review of literature	26
Chapter 3- Research Methodology.....	36
Chapter 4- Research Analysis	38
Chapter 5- Research Findings	53
Chapter 6-Summary and Conclusion	58
Select Bibliography/References	60
Annexure1.....	60
Questionnaire	

TABLE OF GRAPHS AND CHARTS

S.NO.	TABLES AND CHARTS	PAGE NO.
1	CHART 1- Depicting the percentages of respondent's organizations	39
2	CHART 2- Representing the percentages of genders of the respondents	40
3	CHART 3- Depicting the marital status of respondents	40
4	CHART 4- Depicting the percentages of work experience	41
5	TABLE1- Representation of the mean values.	41
6	TABLE2- Representing association between gender and the role of HR	42
7	TABLE3- Representing association between marital status and the role of HR	44
8	TABLE4- Representing the association between the role of HR and work experience	45
9	TABLE5- Calculations of values for chi-square	46
10	TABLE6- Representing the mean scores of trainings received	47
11	TABLE7- Representing the trainings received by family/spouse and children.	48
12	TABLE8- Representing the Combined mean scores of each section	49
13	TABLE9- Representing association between gender and need of effective training	50
14	TABLE10- Representing association between work experience & need of effective training	51
15	TABLE11- Representing the calculations of values for Chi-square	51

EXECUTIVE SUMMARY

The topic of research study is “Management of Expatriates”. The globalization presents a new challenge for the firms; to develop competent Expatriate managers who would be able to work in new environments efficiently and act as a bridge between the parent company and its subsidiaries. The globalization also brings new employees to a firm, the ones with different origin, language and national culture adding complexities to the culture of new organizations.

The firms thus need to develop systems and processes not only to train managers for expatriate assignments but also to handle cultural diversity. An Expatriate is defined as a national of one country who is sent out by the parent company as a manager to perform international assignment, working and living in another country. The expatriates need to be effectively trained to adapt to the new country and help in attaining business objectives. The task challenge can be achieved by well designed Expatriate training programs which will help employees in coping up with the stress and cultural shock while dealing with a new culture. Training in culture takes place before, during and after the assignment in the field of working in the domestic culture and living in the host country. But it might not be the aim to adopt a new culture but rather to adapt to it.

Expatriate assignments are very crucial for an organization. Posting of expatriates gives companies the opportunity to control and coordinate their subsidiaries better. Moreover, a host country may totally differ from the home country in people’s attitude and behaviour. Dealing only with locals can be unsolvable and costly for companies. By having an expatriate on site, difficulties concerning culture can more or less be avoided. In addition, subsidiaries are dispersed around the world. Not every country has the same security and quality standard. With the help of expatriates, companies are able to respond to problems

earlier and also directly. Eventually, expatriates share the aims of the parent company, and can interpret its policies and organisational culture.

Expatriate Management has obtained a lot of significance in organizations today. Often inappropriate training and management of expatriates can lead to their failure. The failure results from inadequate pre and post training of an employee about the new country. Several important aspect of the other country should be kept in mind before preparing an Expatriate for International assignment. Organizations that fail to deliver requisite training and preparation to their expatriate suffer from setbacks at their businesses and profitability is also hampered.

Therefore it is important for organizations to effectively train their employees for international assignments. The research thus aims to assess the role of HR in managing an expatriate and determine the kinds training received by employees. Also, it is our attempt to provide some suggestive guidelines to organizations about training the Expatriates.

The research is undertaken through an Exploratory research cum analytical design. The study uses both primary research tools & secondary research tools. A questionnaire was developed as a primary tool for the purpose of obtaining responses of employees.

The scores of each were analyzed and results were obtained.

The results show that the respondents of varied personal background feel that HR plays an important role in the process of Expatriation. Secondly, the received by the respondents from their organizations is unsatisfactory to them. The respondents also feel strongly about various trainings that they expect to receive before going to the other nation.

ACKNOWLEDGEMENT

This Master Thesis Project was a great chance for learning Professional development. Therefore, I consider myself lucky as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to work with such ideal people and professionals who guided me through this Master Thesis Project. I convey my sincere gratitude to my mentor Mrs. RatnaManjary Das, assistant professor, Galgotias University. Without her kind direction and proper guidelines this report would have been a little success. In every phase of this report her supervision and guidance shaped this report to be completed perfectly. I would also thank my faculty members who guided me during my master thesis project and participated and contributed equally to complete my tasks with ease. I perceive this opportunity as a big milestone in my career development. I will strive to use these gained knowledge and skills in the best possible way, and will continue to work on the improvement, in order to attain desired career objectives.

Shristi Srivastava

Admission No.20GSOB2010104

ABSTRACT

Human Resources is the department which leads the development and upgrade of the corporate culture. The common corporate culture is crucial for the global organization. The organization cannot act the same way around the Globe when the corporate culture is different. On the other hand, the development of the common corporate culture is difficult. The nations are different. The HR Role is to set up the international team, which develops the unified corporate culture and corporate values. They have to understand roots of the common corporate culture and how they are expected to behave globally. The employees and managers have to communicate globally with colleagues around the Globe. The unified way of communication, the approach to problem solving and identification with the organization make global decisions easier. HR should be the first global function. It has to introduce the globally managed HR processes focused on the development of the global talents and bringing the unified approach. The performance management and the talent management are usually the first globally managed HR processes. The unified and globally managed performance management process helps to manage the performance of individual businesses in countries and helps to identify the future global leaders for the organization. The global Human Resources is able to identify best talents in the organization, and move talents to different countries. It is not easy to introduce the global mobility, but the global organization needs global managers, who are able to run difficult projects over continents. The identification of global leaders needs a strong global Human Resources. The HR Professionals have to be trained in global policies, and they have to be managed from different Centers of Excellence around the Globe. The globalization demands new skills and competencies. Managers have to think globally, and they have to find advantages for the organization on the global basis. They have to be able to negotiate with partners from a different cultural background. HR has to adapt its processes, procedures, policies and training to ease the life of managers into the global world of the organization.

CHAPTER 1

INTRODUCTION

The first chapter gives a general introduction, the background of the dissertation, the objectives of the dissertation, the rationale, the plan, methodological issues and problems. The limitations of the dissertation are also given in this chapter.

1.1 BACKGROUND

More and more companies establish subsidiaries, joint ventures and branches abroad. In many cases, it is not possible to engage local employees from the very beginning. They often lack experience in managerial and technical skills. Therefore, it is inalienable to send home country nationals to start up the international business abroad. Emphasizing on the aspect “international”, the cultural issue plays an important role in the selection and training measures of foreign managers (Expatriates) to avoid the culture shock. “The level of culture shock an individual experiences is positively related to the individual’s perceived need to adjust to a new culture”.It is necessary for Multinational Companies (MNCs) to take culture-orientation into consideration during the selection process. Otherwise, the expatriate who is perceived best qualified might lack ability to adapt to a new culture.

The trend of globalization is providing opportunities for Indian firms to reach foreign markets. The business model of many upcoming industries like the information technology sector is dependent heavily on the foreign markets. This increases the need of professionals working in foreign cultural settings. The merger and acquisition activity especially the cross-border acquisitions have reached much higher levels. The trend of acquisitions is not only restricted to the new sectors like Information Technology, Telecom and Business Process Outsourcing, but core sector companies like Manufacturing (For Example: Bharat Forge acquiring Carl Dan Peddinghaus in Germany) and Mining (For Example: Sterlite group acquiring mines in Australia) have observed spurt in such activities too.

1.2 RESEARCH OBJECTIVES

- To study the role HR in managing Expatriates.
- To understand the perceived effectiveness of training received by Expatriate employees.
- To develop a suggestive framework for organizations on training the expatriates.

1.3 RATIONALE OF THE PROJECT

The increasing numbers of business opportunities have led to sending of Expatriates from one country to another. It is also an important task for organizations to effectively manage the employees being sent to other countries so that the aim of sending them is fulfilled. The research has been taken up to understand various aspects in dealing with and managing the expatriates and also to provide some suggestive guidelines to the organizations on the same.

The purpose of this dissertation is to study the expatriate's training methods recommended by various researches and study the role played by the HR Dept/Manager in developing an Expatriate. Furthermore, to find out the need of effectiveness of training methods that they expect to receive. In addition, to investigate how the expatriates evaluate these methods, and try to modify the existing models if there is anything new in practice.

1.4 PLANS

- An in-depth study of the work in field of expatriate management.
- Keeping in mind the objectives of the research a questionnaire was prepared carefully for assessment of various parameters.
- Questionnaire was administered on a sample of 30 expatriates.

- The employees were assured about the confidentiality of their responses and the purpose of the research was explained to them
- The questionnaires were obtained and analyzed for results and recommendations.
- Conclusions on the basis of results.

1.5 LIMITATIONS

- Time constraint- Expatriate had less time to spare and were usually busy.
- Limited sample size

GLOBAL HR

In order to survive and prosper in the new global competition, companies are embracing global integration and coordination, but at the same time they must push for local flexibility and speed. Global companies have to nurture global organization learning by stimulating creativity, innovation and the free-flow of ideas across boundaries, but also advocate a disciplined and methodical approach to global continuous improvement. To succeed in global competition requires an open and empowered organizational climate, but also a tightly focused global competitive culture. If global organizational capability, intrinsically linked to people issues, is the principal tool of competition, it is only natural that HR in the future should become the pivotal partner in the globalization process.

Having a global HR mindset implies a recognition of benefits that can flow to the whole organization from encouraging and valuing cultural diversity in people, not just as members of distinct cultural groups but as individuals. Yet valuing diversity must go well beyond the traditional emphasis on bridging the distance between the clusters of national cultures by focusing on average national characteristics. The barrier that hinders effective cross-cultural interactions is the lack of comprehension about diversity within a given culture by outsiders who do not understand the historical, political, and social context of culture differences and thus have to often rely on often misleading general assumptions and stereotypes. Outsiders view cultures through coloured lens. The role of HR is to

implement the necessary organizational strategies with sensitivity to specific cultural influences.

Globalizing HR Processes:

Global staffing and global leadership development are the two components of global human resources with the greatest potential for powerful leverage for global firms. In both the areas, a major paradigm shift is required in comparison to the traditional perspective.

Global Staffing: While it may be obvious that global firms will need more and more employees with “global brains”, translating this attractive vision into operational reality is not simple. Most managers are not born global; they acquire global brains through a series of experiences, many of them at a substantial cost to the organization. Making a rational business case concerning the future need and use of global managers is one of the critical decisions the global HR function and business leaders must make together.

Global Leadership Development: One of the principal tasks of global leadership development should be to create and support an environment where global mindsets can flourish. It will focus on providing a broad spectrum of employees with opportunities to acquire and enhance their global leadership skills and capabilities, often using nontraditional developmental techniques such as cross-border job swaps or assignments to multicultural task forces and project teams.

The challenges facing human resources in the future as the function strives to become the champion of globalization can be generalized under three problem areas: (1) developing a global mindset inside the HR organization, including a deep understanding of the new global competitive environment and the impact it has on the management of people worldwide; (2) aligning core human resource processes and activities with the new requirements of competing globally while simultaneously responding to local issues and requirements; and (3) enhancing global competencies and capabilities within the HR function so it can become a borderless business partner in rapidly exploiting business opportunities worldwide.

INTERNATIONAL PERSPECTIVES OF HRM

International human resource management (IHRM) involves ascertaining the corporate strategy of the company and assessing the corresponding human resource needs; determining the recruitment, staffing and organizational strategy; recruiting, inducting, training and developing and motivating the personnel; putting in place the performance appraisal and compensation plans and industrial relations strategy and the effective management of all these. "The strategic role of HRM is complex enough in a purely domestic firm, but it is more complex in an international business, where staffing, management development, performance evaluation, and compensation activities are' complicated by profound differences between countries in labor markets, culture, legal systems, economic systems, and the like."

Understanding of international perspective of HRM is required because of cultural diversity, workforce diversity, language diversity, and economic diversity.

1. Cultural Diversity

Culture is one of the most important factors affecting HRM practices. However, when we consider international perspective of HRM, we find cultural diversity across the globe, that is, culture of two countries is not alike. Cultural diversity exists on following dimensions:

Individualism and Collectivism. After the study of culture of sixty countries, Hofstede, a Dutch researcher, has concluded that people differ in terms of individualism and collectivism. *Individualism* is the extent to which people place value on themselves; they define themselves by referring themselves as singular persons rather than as part of a group or organisation. For them individual tasks are more important than relationships. *Collectivism* is the extent to which people emphasise the good of the group or society: They tend to base their identity on the group or organisation to which they belong. At work, this means that relationships are more important than individuals or tasks; employer employee links are more like family relationships.

2. Workforce Diversity

Workforce is the building block of any organisation but there is workforce diversity in global companies. Based on their place of origin, employees of a typical global company can be divided into the following groups:

- a. Parent-country national – permanent resident of the country where the company is headquartered.
- b. *Host-country national-permanent* resident of the country where the operations of the company are located.
- c. Third-country national - permanent resident of a country other than the parent country and the host country.

3. Language Diversity

Language is a medium of expression but employees coming from different countries have different languages. Though English is a very common language, it does not serve the purpose adequately as it does not cover the entire world. While employees coming from different countries may be encouraged to learn the language of the host country for better dissemination of the information, it does not become feasible in many cases. An alternative to this is to send multilingual communications. It implies that anything transmitted to employees should appear in more than one language to help the message get through. While there are no hard-and-fast rules in sending such messages, it appears safe to say that such a message should be transmitted in the languages the employees understand to ensure adequate coverage.

4. Economic Diversity

Economic diversity is expressed in terms of per capita income of different countries where a global company operates. Economic diversity is directly related to compensation management, that is, paying wages / salaries and other financial compensation to employees located in different countries.

MODEL OF IHRM

An international business must procure, motivate, retain, and effectively utilize services of people both at the corporate office and at the foreign plants. The process of procuring,

allocation, and effectively utilizing human resources in an international business is called international human resources management (IHRM).

IHRM is the interplay among the three dimensions - HR activities, types of employees, and countries of operation.

1. The three broad activities of IHRM, namely procurement, allocation and utilizing cover all six activities of domestic HRM. The six functions of domestic HRM are HR planning, employee hiring, training and development, remuneration, performance management, and industrial relations. These six functions can be dovetailed with the three broad activities of IHRM..

2. The three national or country categories involved in IHRM activities are - the host country where a subsidiary may be located, the home country where the company has its headquarters, and other countries that may be the source of labour or finance.

3. The three types of employees of an international business are host country nationals, parent country nationals, and third country nationals.

More Human Resources Activities :

The scope of IHRM is much broader than managing domestic HR activities. There are issues connected with international taxation, international orientation and relocation, administrative services for expatriates, host government regulations, and language translation services.

Need for Broader Perspective :

When compared to domestic HRM, IHRM requires a much broader perspective on even the most common HR activities. For example, while dealing with pay issues, the corporate HR manager must co-ordinate pay systems in different countries with different currencies that may change in relative value to one another over time. While handling fringe benefits too,

complications tend to arise. It is a common practice in most countries to provide health insurance to employees and their families. The family in some countries is understood to include the employee's spouse and children. In other countries, the term family may encompass a more extended group of relative multiple spouses, aunts, uncles, grandparents,

nephews and nieces. It is a difficult task for an international business to deal with the different definitions of family.

More Involvement in Employee's Personal Lives:

A greater degree of involvement in the employee's personal lives is necessary for the selection, training and effective management of both parent country and third country nationals. The HR department needs to ensure that the expatriate employee understands housing arrangements, health care, and all aspects of remuneration packages provided for the foreign assignment. Many international business maintain an "International Human Resource Service" section that coordinate administration of the above programmes and provides service for the parent country and third country nationals such as handling their banking, investments, home rental while on assignment, coordinating home visits, and final repatriation.

Changes in Emphasis

As an international business matures, the emphasis placed on various HR activities change. For example, as the need for parent company and third country nationals declines and more trained locals become available, resources previously allocated to areas such as expatriate taxation, relocation, and orientation are transferred to activities such as staff selection, training, and management development. The later activity may require establishment of a programme to bring high potential local staff to corporate headquarters for development assignments. The need to enhance emphasis in HR activities, as a foreign subsidiary matures, is clearly a factor that broadens the responsibilities of local HR activities.

External Influence

The IHRM activities are influenced by a greater number of external factors than are domestic HRM functions. Because of the visibility that the international business tend to have in host countries (particularly in developing countries) the subsidiary HR managers may have to deal with ministers, political figures, and a greater variety of economic and social interest groups than domestic HR managers would normally encounter.

EMERGING CHALLENGES IN INTERNATIONAL HRM

Beginning with the last decade of 20th century, globalisation, liberalisation and technological advances have changed the way the business is being done across the world, and India has not been exception to that. These three factors are still continuing to haunt business organisations to align their strategies to the needs of fast changing environment. Since HRM is the prime mover of human resources through which organisations have to encounter threats posed by the environment, it is facing lot of challenges in managing people effectively. In order to meet its basic objectives, HR personnel have to identify the nature of these challenges and define their roles and responsibilities more sharply to counter these challenges.

Various Global Training and Development Strategies in detail.

Training and development is essential to continue to build the capacity of individuals in organization to deal with the modern sports and development landscape – working towards a view of empowerment and sustainability. Ability to perform at your best, is largely dependent on the team of individuals who drive your organization – it is essential that these individuals are empowered, enabled and possess the critical skills required to perform at their optimum. Effective Training & Development is essential to continuously get the best from people and extend the knowledge shelf-life of any company. Companies everywhere deliver products and service to their customers using a multi-cultural workforce, whether or not they are global companies. Employees, managers and executives need to be able to work productively with people different from themselves - people who want the same things - safety, security, a good job, a decent wage, and interesting work - but who may have different perspectives on what makes a good manager, on how best to resolve conflict, on what is important in getting the job done or in helping the customer even if it takes a long time. To be effective across borders, organizations and employees at all levels need to broaden their collective understanding of other cultures and the needs of people from these cultures.

Some examples of global workforce development include:

1. Managers need to know how to motivate and organize people from a variety of cultural backgrounds
2. Sales people need to know how to build relationships, negotiate and sell across cultures
3. HRD specialists need to understand how best to develop the capability of employees in countries other than their own.
4. Employees need to be able to work effectively with a wide variety of types of people
5. Financial advisors need to understand how differences among cultures impact ethical conduct in their area of responsibility.
6. Contact center offshorers need to know how to provide effective learning and development in other geographies and cultures on client-specific products and processes while maintaining high quality customer service levels.

Developing Global Mindset:

Having a global HR mindset implies a recognition of benefits that can flow to the whole organization from encouraging and valuing cultural diversity in people, not just as members of distinct cultural groups but as individuals. Yet valuing diversity must go well beyond the traditional emphasis on bridging the distance between the clusters of national cultures by focusing on average national characteristics. The barrier that hinders effective cross-cultural interactions is the lack of comprehension about diversity within a given culture by outsiders who do not understand the historical, political, and social context of culture differences and thus have to often rely on often misleading general assumptions and stereotypes. Outsiders view cultures through coloured lens. The role of HR is to implement the necessary organizational strategies with sensitivity to specific cultural influences.

Global Leadership Development:

One of the principal tasks of global leadership development should be to create and support an environment where global mindsets can flourish. It will focus on providing a broad spectrum of employees with opportunities to acquire and enhance their global leadership skills and capabilities, often using nontraditional developmental techniques such as cross-border job swaps or assignments to multicultural task forces and project teams.

The Impact of Overall Management Philosophy on Training

The type of training that is required of expatriates is influenced by the firm's overall philosophy of international management. For example, some companies prefer to send their own people to staff an overseas operation; others prefer to use locals whenever possible.

Briefly, four basic philosophical positions of multinational corporations (MNCs) can influence the training program:

1. An **ethnocentric MNC** puts home-office people in charge of key international management positions. The MNC headquarters group and the affiliated world company managers all have the same basic experiences, attitudes, and beliefs about how to manage operations.
2. A **polycentric MNC** places local nationals in key positions and allows these managers to appoint and develop their own people. MNC headquarters gives the subsidiary managers authority to manage their operations just as long as these operations are sufficiently profitable.
3. A **regiocentric MNC** relies on local managers from a particular geographic region to handle operations in and around that area. A **geocentric MNC** seeks to integrate diverse regions of the world through a global approach to decision making. Assignments are based

on qualifications, and all subsidiary managers throughout the structure are regarded as equal to those at headquarters.

The impact of Different Learning Styles on Training and Development

Another important area of consideration for development is learning styles. **Learning** is the acquisition of skills, knowledge, and abilities that result in a relatively permanent change in behavior. Over the last decade, growing numbers of multinationals have tried to become "learning organizations," continually focused on activities such as training and development. In the new millennium, this learning focus applied to human resource development may go beyond learning organizations to "teaching organizations."

Of course, the way in which training takes place can be extremely important those responsible for training programs must remember that even if learning does occur, the new behaviors will not be used if they are not reinforced. For example, if the head of a foreign subsidiary is highly ethnocentric and believes that things should be done the way they are in the

home country, new managers with intercultural training likely will find little reward or reinforcement for using their ideas. This cultural complexity also extends to the way in which the training is conducted.

Reasons for Training

Training programs are useful in preparing people for overseas assignments for many reasons. These reasons can be put into two general categories: organizational and personal.

Organizational Reasons

Organizational reasons for training relate to the enterprise at large and its efforts to manage overseas operations more effectively. One primary reason is to help overcome **ethnocentrism**, the belief that one's way of doing things is superior to that of others. Ethnocentrism is common in many large MNCs where managers believe that the home

office's approach to doing business can be exported intact to all other countries because this approach is superior to anything at the local level. Training can help home-office managers to understand the values and customs of other countries so that when they are transferred overseas, they have a better understanding of how to interact with local personnel. This training also can help managers to overcome the common belief among many personnel that expatriates are not as effective as host country managers. This is particularly important given that an increasing number of managerial positions now are held by foreign managers in U.S. MNCs.

Another organizational reason for training is to improve the flow of communication between the home office and the international subsidiaries and branches. Quite often, overseas managers find that they are not adequately informed regarding what is expected of them although the home office places close controls on their operating authority. This is particularly true when the overseas manager is from the host country. Effective communication can help to minimize these problems. Finally, another organizational reason for training is to increase overall efficiency and profitability.

Personal Reasons

The primary reason for training overseas managers is to improve their ability to interact effectively with local people in general and with their personnel in particular. Increasing numbers of training programs now address social topics such as how to take a client to dinner, effectively apologize to a customer, appropriately address one's overseas colleagues, communicate formally and politely with others, and learn how to help others "save face." These programs also focus on dispelling myths and stereotypes by replacing them with facts about the culture.

Types of Training Programs

There are many different types of multinational management training programs. Some last only a few hours; others last for months. Some are fairly superficial; others are extensive in coverage. Figure 1 shows some of the key considerations that influence development of

these programs. There are nine phases. In the first phase the overall objective of the program to increase the effectiveness of expats and repatriated executives is emphasized. The second phase focuses on recognition of the problems that must be dealt with in order to reach the overall objective. The third phase is identification of the developmental objectives. The fourth phase consists of determining the amount of development that will be needed to achieve each objective. The fifth phase entails choosing the specific methods to be used in the development process—from types of predeparture training to language instruction to reentry training. The sixth phase is an intermediate evaluation of how well things are going and the institution of any needed midstream corrections. The seventh phase is an evaluation of how well the expat managers are doing, thus providing evaluation feedback of the developmental process. The eighth phase is devoted to reentry training for returning expats. The ninth, and final, phase is an evaluation of the effectiveness of the executives after their return. By carefully laying out this type of planning model, MNCs ensure that their development training programs are both realistic and productive. In this process they often rely on both standardized and tailor-made training and development approaches.

Standardized vs. Tailor-Made

Some management training is standard, or generic. For example, participants often are taught how to use specific decision-making tools, such as quantitative analysis, and regardless of where the managers are sent in the world, the application is the same. These tools do not have to be culturally specific. Research shows that small firms usually rely on standard training programs. Larger MNCs, in contrast, tend to design their own. Some of the larger MNCs are increasingly turning to specially designed video and PowerPoint programs for their training and development needs.

In the final analysis, the specific training program to be used will depend on the needs of the individual. Tung, after surveying managers in Europe, Japan, and the United States, found that there are six major types of cross-cultural training programs:

1. Environmental briefings used to provide information about things such as geography, climate, housing, and schools.

2. Cultural orientation designed to familiarize the individual with cultural institutions and value systems of the host country. Cultural assimilators using programmed learning approaches designed to provide the participants with intercultural encounters.

4. Language training.

5. Sensitivity training designed to develop attitudinal flexibility.

6. Field experience, which sends the participant to the country of assignment to undergo some of-the emotional stress of living and working with people from a different culture.

Mergers and Acquisitions with reference to implication of HR at Global Level: To put it simply, the term “Merger” refers to the combination of two or more organizations to form a new company, which often has a new corporate identity. Acquisition, on the other hand, is the purchase of a company by another company. Besides assessing the risk and potential of the merged entity, it is just as important to derive synergy from the merger or acquisition so that the company can quickly transit into the new entity and operate at its maximum efficiency. This is crucial in meeting the various bigger organisational objectives including growth in market share. To achieve this, it is essential for HR to play a pivotal role in ensuring the smooth integration of HR policies and managing employees of differing work cultures all through the merger and acquisition life cycle. Mergers and acquisitions represent the ultimate in change for a business. No other event is more difficult, challenging, or chaotic as a merger and acquisition. It is imperative that everyone involved in the process has a clear understanding of how the process works. Mergers and acquisitions are now a normal way of life within the business world. In today's global, competitive environment, mergers are sometimes the only means for long-term survival. Mergers and acquisitions represent the ultimate in change for a business. No other event is more difficult, challenging, or chaotic as a merger and acquisition.

When we use the term "merger", we are referring to the merging of two companies where one new company will continue to exist. The term "acquisition" refers to the acquisition of assets by one company from another company. In an acquisition, both companies may continue to exist. However, throughout this course we will loosely refer to mergers and acquisitions (M&A) as a business transaction where one company acquires another company. The acquiring company will remain in business and the acquired company (which we will sometimes call the

Target Company) will be integrated into the acquiring company and thus, the acquired company ceases to exist after the merger.

CHAPTER 2

REVIEW OF LITERATURE

The review of related literature is presented in this chapter. It begins with the introduction to Expatriate experience and information about how women expatriates feel. It also deals with various articles on topics like management of expatriate Crisis. Then, understanding the process of sending an Expatriate and the role played by the HR Dept/Manager in it. In the next two parts, the importance of culture, intercultural adjustment and the most influential the training process of expatriates are discussed. Finally, this chapter is

supposed to give a general overview and understanding of the relevant literature used in the research.

3.1 REVIEW OF LITERATURE

Expatriate Experiences

Elizabeth Harrin (July 5, 2007)

For many of us in the project management field, there is something glamorous about working in a foreign country. But the expat lifestyle isn't for everyone, and non-native project managers face a host of obvious and unexpected challenges. Here is some first-hand advice for seeking and securing an international post.

This is the third of four articles in a series on career advancement in the project management profession.

The latest annual Global Relocation Trends Survey shows that opportunities for international assignments are on the rise, with more and more companies reporting an increasing expatriate population. That's good news if you want a job abroad, especially as project management is a skill that transfers well between countries.

There are two main ways to get a job overseas. More than 85 percent of expats transfer to one of their company's international offices. The other option is to take a new job with a new employer based abroad. If you work for a global company, explore what options are available to you, but don't be put off if they only send board-level or very senior managers on overseas postings. You can still find your perfect job — it just takes a bit of hunting.

“When searching for an international placement, it is first important to understand your skill set and in which countries that skill set is in demand,” says Michelle Gillin, vice president of Global Business Development at Princeton One, one of the 10 largest staffing firms in the United States.

AN EXPATRIATE

A fundamental challenge faced by multinational companies today is how to ensure that managers develop not only an overview of the organization in its entirety, but also a feel for international business. Due to globalization, in order to stay resistant in the increasing competing global market, it is important to train the employee to become international minded. As Briscoe and Schuler say, the health of today's multinational companies is the function of International Human Resource Management's ability to match the firms' workforce forecast with the supply of global talent.

Today, there are many definitions of the term expatriate. Lasserre, define expatriates as:

“People that are living and working in a non-native country”

Harzing and Ruysseveldt, define the term expatriate as:

“Any employee that is working outside his/her home country”

Dowling and Welch on the other hand have defined an expatriate as:

“An employee who is working and temporarily residing in a foreign country”

The first definition put emphasize of not being born in the specific country whereas in the second definition the expatriate does not need to be born in the country he/she considers to be his/her home country. The last definition describes an expatriate that works in a country which he/she is not a citizen.

“An expatriate is an employee that is temporarily working and living in a country or region that is not his or her home country”.

Importance of Expatriates

When it comes to building up subsidiaries in a host country, locals may lack the specific

skills required by the Organizations. Therefore, companies send expatriates to conduct business in order to ensure themselves against failure In order to staff their subsidiaries, the Organization can use three staffing approaches: ethnocentric, polycentric and geocentric approach. The expatriates are used both in ethnocentric approach and geocentric approach. Dowling, Schuler and Welch (1999) use a short but precise explanation of ethnocentric approach. It means that subsidiaries abroad are managed by expatriates from the home country. Geocentric approach is used when organizations choose the best qualified employees to lead subsidiaries abroad irrespective of nationality. Expatriates are more familiar with management techniques and methods than local employees. Thus, the expatriates guarantee a good job performance and follow company policy which is used in every part of organization.

Motives and Roles of Expatriation

Dowling and Welch (2004) have identified several reasons for using expatriates. The most common reasons for a company to send an employee to work abroad are:

- 1. Agent of Socialization:** The person that performs the task knows and is familiar with the “values and beliefs” of the parent firm. Dowling and Welch (2004) call the transfer of values and beliefs socialization. An example is that the parent firm has values and beliefs, visions and strategies that they want to communicate through the whole organization.
- 2. Network Builder:** International assignments are viewed as a way of conducting interpersonal linkages that can be used for informal control and communication purposes. An expatriate that works as a network builder will possess knowledge that is of value for the company. Knowing people from different key positions and what they need as well as these people know what the expatriate is credible for, when performing a task, there is a mutual dependence between both parts (Dowling & Welch, 2004).

3. **Agent of Direct Control:** The parent company wants to have an overview and control over the host company . The use of expatriate in this context can be regarded as a bureaucratic control mechanism since the primary role is to ensure compliance through direct supervision (Dowling & Welch, 2004).

4. **Boundary Spanners:** Boundary Spanning refers to the activities that an expatriate conduct, such as gathering information that bridge internal and external organizational contexts.

Women Expatriates

Women expatriates have to be resilient and resourceful if they wish to be successful in foreign cultures. Men in all cultures are expected to seek gainful employment. Women in all cultures face resistance by some men when they try to advance their careers. This is often the case with management careers. The fact that senior women managers are few in number and complain of glass ceilings has been much discussed by researchers. It is stressed here that women expatriates have to be more skilled at adjusting to a foreign culture than their male counterparts.

A US woman working in Bahrain will find many Bahrainis looking askance at her, since home making is not her first priority. Ellen Moore was often greeted with sympathy when she revealed that she had no children (Ellement, Maznevski and Lane, 1990). Most married Bahrainis like to have children, and at least one son. Hence most Bahraini women regard their careers as subordinate to their roles as mothers. A woman like Ellen Moore trying to

befriend local Bahrainis finds that she is often asked questions about her life choices, and even treated as a woman who has made inappropriate life choices. A man in Ellen Moore's position might invite the admiration of local nationals. Ellen Moore, on the other hand, is received with mixed reactions. Some Bahrainis might advise her that she is in some way 'incomplete' because she has no children. Women expatriates have to respond to such situations in ways that reflect their own individuality.

One response is to maintain strictly formal relations with local nationals. Then a woman does not have to justify her life decisions. This can be onerous when done on a continuous basis. Women who opt for such a response can end up feeling lonely. Another response is to challenge the interlocutor's views on a woman's role in society. Such a stance may convey the impression that the woman expatriate is discourteous. A third response is for the woman expatriate to take people's curiosity, even disapproval, in her stride. Assuming a liberal position regarding the way people react to her would reflect maturity on the woman expatriate's part.

Dave Whitman, CEO, Whirlpool Corporation

Defining the Expatriate vs. the Global Manager

It is widely agreed that the critical factor for companies to succeed in global competition is effective development of global managers and executives (Pucik, 1985; Bartlett & Ghoshal, 1989; Evans, 1992; Tichy & Sherman, 1993; Gates, 1994). However, in management development literature, there seems to be a great deal of confusion about the meaning of various terms defining expatriate/international/global managers. In an effort to clarify the differences between the expatriate and the global manager, this article explores the definitions of the two concepts, and explains the differences in behaviors, competencies, and characteristics of the two types of managers. The article also identifies and compares the human resource practices necessary for an effective development of the expatriate and global managers.

Building and sustaining organizational capabilities for global operations is a critical challenge for most globalizing firms (Nohria & Ghoshal, 1997). Meeting this challenge requires changes in cognitive processes through which managers frame business problems (Murtha, Lenway & Bagozzi, 1998). Global thinking places high value on sharing information, knowledge, and experience across national, functional, and business boundaries and on balancing competing country, business, and functional priorities that emerge in the globalization process.

As organizations become globalised, there is an increasing challenge to use expatriates on international assignments to complete strategically critical tasks (Gregersen & Black 1996, Brewster 1998, Downes & Thomas 1999). Multinational corporations (MNCs) use expatriates, not only for corporate control and expertise reasons in vital global markets, but also to facilitate entry into new markets or to develop international management competencies (Bird & Dunbar 1991, Boyacigiller 1991, Rosenzweig 1994, Shaffer, Harrison & Gilley 1999, Forster 2000).

While it is recognised that Human Resource Management (HRM) problems are more complex in the international environment, there is also increased evidence to suggest that the management of international human resources is increasingly being acknowledged as a major determinant of success or failure in international business (Tung 1984, Dowling 1999, Hiltrop 1999). For renowned and established MNCs, failure to be able to communicate and coordinate their activities in international business has the potential to plunge them into a crisis. The crises confronting MNCs include failed assignments due to premature return of expatriates and the loss of their returned expatriates due to poor repatriation. These crises, due to poor expatriate management, can, therefore, threaten the organisation's performance and capabilities in the international arena.

Hence, to avoid a crisis in expatriate management is threefold. The first challenge for international human resource is planning effectively for the selection of expatriates for overseas assignments. The second, return of expatriates has to be attended and the subsequent job assignment for returned expatriate in their home country is a priority for managerial attention. Essentially, the primary crisis management roles of international human resource (IHR) professionals are those of record custodian, crisis management team

member, communicator, and contributing writer to the emergency plan (Williamson 1991). This multifaceted role of IHR includes providing professional counselling to help employees and their families to deal with the psychological problems associated with a hostage or an evacuation situation, to concentrate on the well-being of their workforce, but they also addressed compensation and benefits issues, reassignment issues, legal issues, health, safety, and security issues.

It is widely acknowledged in the relevant literature (Smith & Sipika 1993, Hickman & Crandall 1997, Coombs 2001) that the process of crisis management entails three main phases. These phases are conceptualised as (1) Preparedness, which is the period of preparing plans and procedures for addressing a crisis; (2) Responsiveness, or the actual dealing with the crisis; and (3) Recovery, during which the organisation returns to normal operations as quickly as possible. These three phases are considered as sequential phenomena in a continuous cycle so that the Recovery phase, which follows the Responsiveness phase, also precedes the Preparedness phase. In this paper, the Responsiveness of expatriate crisis management is delineated in an auto reflective narrative design that utilised the responses of 15 expatriate managers. The data provided by the managers are considered within the frameworks of the Recovery phase and the Preparedness phase to reinforce how corporate HRM policies and practices might facilitate better management of the expatriate crises.

Managing Expatriate Crises International crises experienced by MNCs include premature return of their expatriates due to failed assignments and poor retention of their returned expatriates due to failed repatriation. Researchers have analysed the causes of failure in overseas assignments and have introduced Human Resource (HR) practices that would help organisations to select, develop, and retain competent expatriates (Oddou 1991, Arthur & Bennett 1995, Stroh, Gregersen & Black 1998, Hiltrop 1999, Riusala 2000, Varner 2002). Consequently, multinational corporations are striving to improve their capability in managing human resources internationally. Important features of these initiatives include (1) the nature and length of the planning for the selection and training of expatriates for overseas assignments, (2) the return of expatriate, and (3) the subsequent assigned work for these repatriates in the home country (Punnett & Ricks 1997, Anderson 2001, Lazarova 2001).

Failed Assignments due to Premature Return of Expatriates

A prominent concern in the international recruitment and selection literature is that of expatriate failure (Adler 1981, Mendenhall & Oddou 1991, Feldman & Tompson 1993, Harvey 1993, Riusala 2000). This expatriate failure becomes an international crisis for the MNC. Several studies have identified the reasons behind the failure. For instance, premature return of expatriates and the lack of cross-cultural adjustment by expatriates, their spouse or family are some identified features (Black & Gregersen 1991, Black 1992, Shaffer et al. 1999, Riusala 2000) as well as poor performance (Fieldman & Thomas 1992, Stening & Hammer 1992, Feldman & Tompson 1993, Hodgetts 1993, Naumann 1993, Clark, Grant & Heijltjes 2000) that can arise during an international assignment. Indeed, research conducted by Black and Gregersen (1997) indicates that 10 to 20 per cent of United States (U.S.) expatriates sent overseas return prematurely due to dissatisfaction with their job or the impact of culture shock. And one-third of those who stayed for the duration did not perform satisfactory to the expectations of their organisations. Moreover, when an international assignment is not completed, necessitating the replacement of the expatriate (Bird & Dunbar 1991, Swaak 1995, Pucik & Saba 1998), the costs of failure to the MNCs are both direct and indirect. The direct cost includes salary, training costs, and travel and relocation expenses. The indirect cost could be a loss of market share, difficulties with host government and demands that parent country nationals be replaced with host country nationals (Dowling, Schuler & Welch 1994, Stone 1994, Forster 2000).

Expatriate failure is primarily caused by error in selection (Adler 1981, Tung 1981, Arthur & Bennet 1995, Harvey & Novicevic 2001). Historically, the selection of expatriates has been based on technical competence (Katz & Seifer 1996), neglecting other important interpersonal factors of expatriates (Mendenhall, Dunbar & Oddou 1987, Suutari & Brewster 1998). For instance, Clarke and Hammer (1995) found that interpersonal skills assist in the cultural adjustment of the expatriate and his or her family is a managerial function worthy of greater consideration. A review of extant literature on expatriate selection identified other essential traits as predictors of expatriate success and these are addressed.

Nature of Planning: Expatriate Selection

Within the abundant research on expatriate managers, certain selection characteristics or traits have been identified as predictors of expatriate success. These include technical ability, managerial skills, cultural empathy, adaptability, diplomacy, language ability, positive attitude, emotional stability, maturity and adaptability of family. One of the earliest reports was provided by Tung (1987), who examined expatriate selection practices across 80 U.S. MNCs, and subsequently, identified four general categories which may contribute to expatriate success. These are broadly described as (1) technical competence on the job, (2) personality traits or relational abilities, (3) environmental variables, and (4) family situation. This is further supported by Ronen's (1989) model that incorporates the dimensions of expatriate success identified by Tung (1981). Ronen (1989), describes five categories of attributes of success: (1) job factors, (2) relational dimensions, (3) motivational state (4) family situation, and (5) language skills.

Source: Ronen, S. 1989, Training the International Assignee. Training and Career Development (1st ed), San Francisco: Goldstein.

Ronen (1989) identified these five selection attributes (Table 1) as contributing to greater expatriate success in international assignments as compared to the customary selection of expatriates based solely on technical abilities. This paper reports the findings of a study which examined the selection categories of fifteen organisations. This study employed Ronen's (1989) model as a template for the effective selection of expatriates.

CHAPTER 3

RESEARCH METHODOLOGY

The second chapter discusses methodology. Then the collection of secondary and primary data is presented.

2.1 SAMPLING: Random Sample-50 Expatriates

2.2 COMPANY NAMES: Tech Mahindra, NIIT technologies, Patni Computer System

2.3 RESEARCH METHODOLOGY

The choice of methodology greatly depends on the research purpose and research questions. Choosing a proper methodology is important to achieve the aim of the dissertation, to get valid and reliable results. The research is undertaken through an Exploratory research cum analytical design.

2.4 RESEARCH APPROACH

An analytical approach is used in the dissertation. First, the existing theories about the expatriate managers' training, and some related culture theories were critically reviewed. Secondly, several hypotheses were developed and analysis was done accordingly

2.5 DATA COLLECTION

The research is undertaken through an Exploratory research cum analytical design. The study uses both primary research tools & secondary research tools.

Primary research was carried out with the help of a questionnaire, which aimed to understand the perception of expatriate managers.

Journals, books, internet, research papers, etc were used as sources of secondary research.

1) Primary Data

A detailed self-administered questionnaire was used.

Type of questionnaire: Structured and Undisguised

STRUCTURED AND UNDISGUISED QUESTIONNAIRE

For this project a structured questionnaire is used where each question specify the set of responses alternatives and the response format. A structured questionnaire can be of three types multiple choices, dichotomous or a scale. The questionnaire used here is undisguised, as the respondents clearly know the purpose of this survey and intentions behind it.

2) Secondary Data

Our sources for secondary data were mainly books, the internet and articles. There are many researches done in the field of expatriates. Nevertheless, a complex literature review was conducted to learn more about training methodologies of expatriates.

CHAPTER 4

RESEARCH ANALYSIS

A: ANALYSIS OF THE PERSONAL DETAILS

This section of the questionnaire focuses on the personal details of the person. This section has been analyzed with the help of percentages.

a) Organization

The first question detail to be filled is the “Organization working for”. Employees were chosen randomly from three organizations.

- Tech Mahindra-20
- NIIT Technologies-20
- Patni Computer system-10

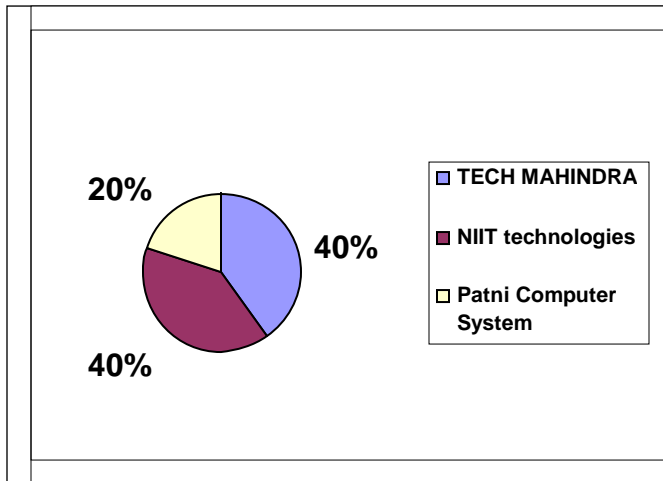


CHART 1- Depicting the percentages of respondent’s organizations

40% of questionnaires were filled by employees of Tech Mahindra, 40% by NIIT Technologies and 10% from Patni Computer System.

b) Designation.

The various designations of the respondents were project managers, developers, Senior Software engineer, Marketing and Pre sales exec., Business development Exec., Team Leader, Module Leader. While 70%, of the respondents were of designation of “Developers”

c) Age

All the respondents belonged to the age group of 20-40 years.

d) Gender

Responses from both male and female employees were collected.

Males- 40

Females-10

There were 80% Males and 20% Females

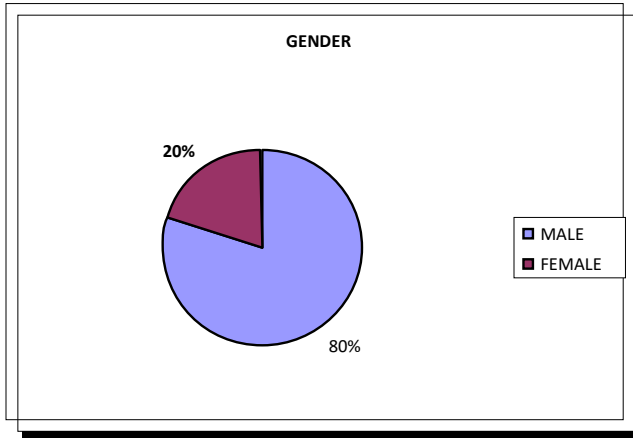


CHART 2- Representing the percentages of genders of the respondents

e) Educational Qualification

Since, data was collected from IT organizations. Most of the respondents were BTech, BE, MCAs. Some of the respondents were also MBAs.

f) Marital Status

The respondents were both single and married.64% were single and rest 36 % were married.

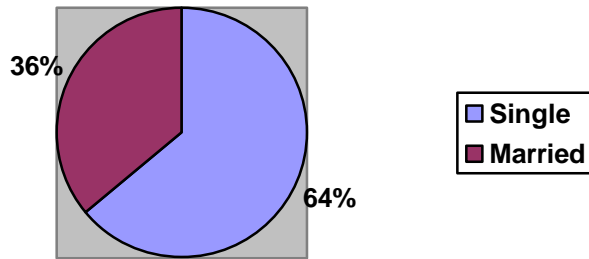


CHART 3- Depicting the marital status of respondents

g) Work Experience: The respondents were divided into categories on the basis of their work experience ranging from less than 2 years to more than 10 years.

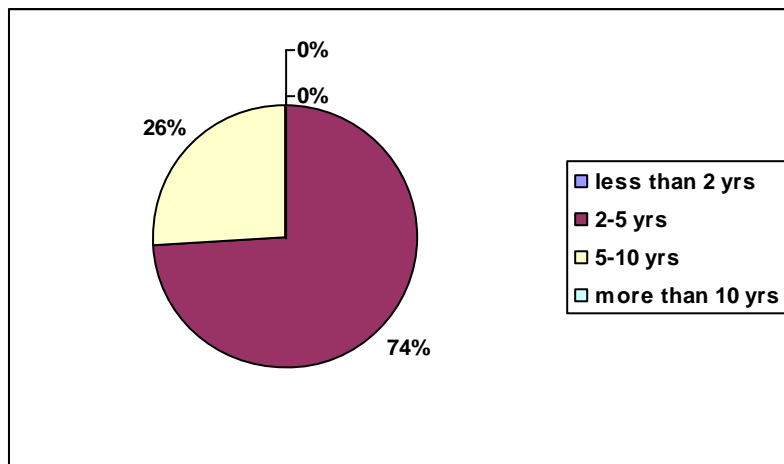


CHART 4- Depicting the percentages of work experience

0% respondents had work experience of less than 2 years. A majority i.e,74% had work experience of 2-5 years, 26% had experience of 5-10 years and none of them had experience of more than 10 years.

h) No. of yrs spent in other country/countries

Each respondent had a different number of years and months of work experience to as an expatriate. The respondent with minimum numbers of time spent on an international

assignment had only spent 2 months. The respondent with maximum number of time spent in other nation had spent 5 years abroad.

i) Countries visited

The countries visited by respondents were: Australia, Japan, UK, Canada, China Germany, Singapore, and UK. Some respondents had been to more than one country also.

B: ANALYSIS OF THE ROLE OF THE HR IN MANAGING THE EXPATRIATES

1. Analysis with the help of mean scores

TABLE1. Representing mean scores of the roles of HR

S.NO.	STATEMENTS	MEAN SCORES
1	The HR Manager plays a potential role in motivating an employee to accept international assignments.	2.06
2	The HR Manager, as a trainer facilitates the entire briefing of the process before sending of an employee for international assignments.	2.42
3	The HR Manager must extensively train an expatriate before leaving and after reaching the new country.	3.86
4	The HR manager plays the function of communicator in clearing doubts, issues and inhibitions (if there were any) before leaving.	3.8
5	The HR Manager should also take care of the emotional aspects of an Expatriate.	3.86
6	The HR Manager must prepare the Expatriate employee about the unforeseen challenges that may arise in the new country	3.88
7	The HR Manager must generally brief about the ways and means to solve the issues that might arise in the other country.	3.9

8	The HR dept must develop and provide training on various OD interventions which would help the Expatriates in managing the change and in adaptation to the new culture.	3.66
9	Effective leadership by HR Manager determines success and failure of an Expatriate.	3.58
10	The success of retaining the repatriates depends equally between the HR and the organization.	3.56

The combined mean score of this section is =3.46

The score being closer to highest value i.e. 4, depicts that the respondents feel strongly about the importance of the role of HR.

2. Analysis with the help of Chi-square:

I. GENDER

TABLE 2- Representing association between gender and the role of HR

Responses/ Gender	Male	Female	TOTAL
Strong Favorable opinion about the role of HR	32 (A)	07 (B)	39
Less Favorable opinion about the role of HR	08 (C)	03 (D)	11
TOTAL	40	10	N=50

$$\chi^2 = \frac{N(AD-CB)^2}{(A+B)(C+D)(A+C)(B+D)}$$

$$= \frac{50 (96-56)^2}{39 \times 11 \times 40 \times 10}$$

$$= \frac{50 * 1600}{171600}$$

$$\chi^2 = 0.47$$

$$Df = 1$$

$$\chi^2, CV=0.47$$

$\chi^2, TV = 2.71$ at 0.1 Level of significance

H_0 = Men and women share similar perception about the importance of the role played by the HR Dept/Manager in managing an Expatriate.

H_1 = Both men and women hold different perception about the importance of role of HR Dept/Manager.

Since, $CV < TV$

H_0 can not be rejected and therefore we can say that,

Both men and women hold similar perception about the importance of role of HR Dept/Manager.

II. MARITAL STATUS

TABLE 3-Representing association between marital status and the role of HR

Responses/ Marital status	Single	Married	TOTAL
Strongly Favorable opinion about the role of HR	26 (A)	14 (B)	40

Less Favorable opinion about the role of HR	06 (C)	04 (D)	10
TOTAL	32	18	N=50

$$\chi^2 = \frac{N(AD-CB)^2}{(A+B)(C+D)(A+C)(B+D)}$$

$$(A+B)(C+D)(A+C)(B+D)$$

$$= \frac{50(104-56)}{40 \times 10 \times 32 \times 18}$$

$$= \frac{48 \times 50}{230400}$$

$$\chi^2 = 0.011$$

$$Df = 1$$

$$\chi^2, CV = 0.011$$

$$\chi^2, TV = 2.71 \text{ at } 0.1 \text{ Level of significance}$$

Ho= Single and married respondents share a similar perception about the importance of the role played by the HR Dept/Manager in managing an Expatriate.

H₁= Single and married respondents share a different perception about the importance of the role played by the HR Dept/Manager in managing an Expatriate.

Since, CV < TV

Ho can not be rejected and therefore, we can say that,

Both single and married respondents hold similar perception about the importance of the role of HR Dept/Manager

III. WORK EXPERIENCE

TABLE 4-Representing the association between the role of HR and work experience

Responses/ work ex.	Less than 2 yrs	2-5 yrs	5-10 yrs	More than 10 yrs	Total
Strongly Favorable opinion about the role of HR	00 (1)	28 (2)	07 (3)	00 (4)	35
Less Favorable opinion about the role of HR	00 (5)	09 (6)	06 (7)	00 (8)	15
TOTAL	00	37	13	00	50

TABLE 5- Calculations of values for Chi-square

CELL	1	2	3	4	5	6	7	8
Fo	0	28	07	0	0	09	06	0
Fe	0	25.9	9.1	0	0	11.1	3.9	0
(fo-fe)	0	2.1	(2.1)	0	0	(2.1)	2.1	0
(fo-fe)²	0	4.41	4.41	0	0	4.41	4.41	0
<u>(fo-fe)²</u> Fe	0	0.17	0.48	0	0	0.40	1.13	0

$$\begin{aligned}\text{Degree of freedom} &= (\text{column}-1) (\text{row}-1) \\ &= 3 \times 1\end{aligned}$$

$$\text{d.f.} = 3$$

$$\chi^2 = \sum \frac{(\text{fo}-\text{fe})^2}{\text{Fe}}$$

$$\chi^2 = 2.18$$

$$\chi^2, \text{CV} = 2.18$$

$$\chi^2, \text{TV} = 6.25 \text{ at } .01 \text{ Level of significance}$$

Ho= Respondents with different number of years of work experience share a similar perception about the importance of the role played by the HR Dept/Manager in managing an Expatriate.

H₁= Respondents with different number of years of work experience share a similar perception about the importance of the role played by the HR Dept/Manager in managing an Expatriate.

Since, CV < TV

Ho can not be rejected and therefore, we can say that,

Respondents with different number of years of work experience share a similar perception about the importance of the role played by the HR Dept/Manager in managing an Expatriate

C. TRAINING RECEIVED BY EXPATRIATES

This section aims to identify the trainings received by the respondents. The analysis is done with the help of mean score values.

TABLE 6-Representing the mean scores of trainings received

S. No	KINDS OF TRAININGS	MEAN SCORES
1.	Technical training.(e.g. Process Training)	1.3
2.	Training of new language.	1.76
3.	Training related aspect that would give a deep insight into the Host/New country.	
a)	Social and business etiquettes	1.63
b)	History and background.	1.53
c)	Cultural values and priorities.	1.56
d)	Geography and its major cities	1.66
e)	Current affairs and relations the Host country and the parent country.	1.433
f)	Religion and role of religion in daily life.	1.3
g)	Different non verbal gestures used.(ex. To greet, wish etc.).	1.433
h)	Laws & Rules/Regulations.	1.36
i)	Political structure of the country.	1.13
4.	Managerial skill development.	
a)	Motivation to work in new country.	1.26
b)	Flexibility and adaptability.	1.26
c)	Decision making skills.	1.33
d)	Interpersonal skills.	1.33
e)	Team building skills.	1.3
f)	Cultural empathy.	1.53
5.	Training related to practical aspects:-	
a)	Currency.	1.53
b)	Transportation	1.37

c)	Hours of business	1.76
d)	Time zone.	1.76

TABLE 7- Representing the trainings received by family/spouse and children.

1.	Training to spouse to adjust to new culture	1
2.	Helping spouse find a job	1
3.	Educational facilities for children	1.3
4.	Housing facilities for family	1.26
5.	Helping the parents back home(By providing special facilities)	1.3

TABLE8-Representing the Combined mean scores of each section

VARIABLES	MEAN SCORES
Technical training.(e.g. Process Training)	1.3
Training of new language.	1.76
Training related aspect that would give a deep insight into the Host/New country.	1.51
Managerial skill development	1.33
Training related to practical aspects	1.61
Training to family/spouse and children	1.172

Combined mean score of SECTION C =1.44

This shows that the training received by the respondents is insufficient according to them. Since most of the mean scores lie around 2 which stands for ‘somewhat received’, the mean scores suggest that organizations provide unsatisfactory training to its employees, before sending them to other country.

D. ANALYSIS OF THE NEED OF EFFECTIVE TRAINING METHODOLOGIES

This section aims to gauge the perceived need of training among the respondents, which they expect to be received by their organization. The results are analyzed with the help of chi-square.

1. Analysis with the help of chi-square

I. MARITAL STATUS

TABLE 9- Representing association between marital status and need of effective training.

Responses/ Marital Status	Single	Female	TOTAL
Highly favorable opinion about training needs.	18 (A)	08 (B)	26
Less favorable opinion about training needs	14 (C)	10 (D)	24
TOTAL	32	18	N=50

$$\chi^2 = \frac{N(AD - CB)^2}{(A+B)(C+D)(A+C)(B+D)}$$

$$= \frac{50 (180 - 112)^2}{(A+B)(C+D)(A+C)(B+D)}$$

$$= \frac{26 \times 24 \times 32 \times 18}{359424}$$

$\chi^2 = 0.64, Df = 1$

$\chi^2, CV = 0.643$

$\chi^2, TV = 2.71$ at 0.1 Level of significance

H_0 = Single and married respondents have similar opinion about the training that should be provided to expatriates.

H_1 = Both single and married respondents have different opinion about the training that should be provided to expatriates.

Since, $CV < TV$

H_0 can not be rejected and therefore, we can say that,

Both single and married respondents have similar opinion about the training that should be provided to expatriates.

II. WORK EXPERIENCE

TABLE 10- Representing association between work experience & need of effective training.

Responses/ Work Experience	Less than 2 yrs	2-5 yrs	5-10 yrs	More than 10 yrs	Total
Highly favorable opinion about training needs	00 (1)	32 (2)	02 (3)	00 (4)	34
Less favorable opinion about training needs	00 (5)	05 (6)	11 (7)	00 (8)	16
TOTAL	00	37	13	00	50

TABLE 11- Representing the calculations of values for Chi-square

CELL	1	2	3	4	5	6	7	8
Fo	0	32	02	0	0	05	11	0
Fe	0	25.16	8.84	0	0	11.84	4.16	0
(fo-fe)	0	6.84	(6.84)	0	0	(6.84)	6.84	0
(fo-fe)²	0	46.78	46.78	0	0	46.78	46.78	0
<u>(fo-fe)²</u> Fe	0	1.86	5.29	0	0	3.95	11.25	0

Degree of freedom = (column-1)(row-1)
= 3×1

d.f.= 3

$$\chi^2 = \sum \frac{(\text{fo}-\text{fe})^2}{\text{Fe}}$$

$$\chi^2 = 22.35$$

$$\chi^2, CV=22.35$$

$$\chi^2, TV=6.25 \text{ at } 0.1 \text{ Level of significance}$$

H₀= Respondents with different number of years of work experience share a similar opinion about the training that should be provided to expatriates.

H₁= Respondents with different number of years of work experience share a different opinion about the training that should be provided to expatriates.

Since, $CV > TV$

H_0 can be rejected and we can accept the alternate hypothesis(H_1) that, respondents with different number of years of work experience share a different opinion about the training that should be provided to expatriates.

CHAPTER 5

RESEARCH FINDINGS

The finding of the research can be inferred on the basis of analysis of the questionnaire. The questionnaire was carefully designed keeping in mind the objectives of research. It was divided into four sections each focusing on a specific objective of research.

A: FINDING OF THE PERSONAL DETAILS

The first section was about the personal details of the respondents. The questionnaires were filled by people of varied details and backgrounds. The respondents varied on the basis of the following.

- Respondents belonged to NIIT, TECH Mahindra and Patni Computers. 20% of the respondents were from Patni computers and 40% each from NIIT and Tech Mahindra.
- People also had different designations of developers, managers etc. Age groups was divided in to categories of 20-40, 40-60 and 60-Above, though all the respondents belonged to 20-40 age group.

- Responses from both male and female respondents were obtained, a majority 80% of them were male.
- Educational Qualifications were also obtained from them. The Marital Status of the was also asked, there were 64% single respondents.
- The number of dependants and number of children were also asked.
- The Work Experience was divided into categories of,(i) Less than 2 yrs, (ii) 2-5yrs, (iii) 5-10yrs, (iv) More than 10 yrs. 74% had 2-5 years of experience, 26% of 5-10 years and none of them had experience of less than 2 years and more than 10 years.
- Respondents had spent varied number of years in other countries like Australia, Japan, USA, France, China, Germany, Singapore, and UK.

B: FINDING OF THE ROLE OF HR IN MANAGING EXPATRIATES

The second section aimed to identify the role played by the HR Department and Manager in preparing, managing and sending the Expatriate to the other country.

The responses were obtained on the scale of ‘Strongly agree’, ‘Agree’, ‘Disagree’, and ‘Strongly disagree’. The mean score of this section =3.46, which depicts that people feel that HR plays an important role in preparing an expatriate for an international assignment. The HR Dept/ Manager perform important activities like notification, briefing, training etc. before an expatriate leaves for the other nation.

Whereas, according to the responses the highest score of 3.9 is for this statement: “The HR Manager must generally brief about the ways and means to solve the issues that might arise in the other country”, which implies that respondents want the HR to prepare them well about the unforeseen problems and means to solve them.

The respondents also feel strongly about the following statements “The HR Manager must extensively train an expatriate before leaving and after reaching the new country”, “The HR Manager should also take care of the emotional aspects of an Expatriate.” and “The

HR dept must develop and provide training on various OD interventions which would help the Expatriates in managing the change and in adaptation to the new culture.”

Therefore, we can say that the HR plays important role of a “Trainer” with an expatriate.

Analysis was also done to find out if there were differences in opinion about the role of HR on the basis of the following.

- Gender
- Marital status
- Work Ex.

Gender- according to the results obtained after analyzing the data it is clear that respondents of both the genders (male and female share a similar opinion about the role of HR. There exists an insignificant difference in their opinion.

Marital status- the results clearly show that respondents of both the kinds (single and married) share a similar opinion about the role of HR. There exists an insignificant difference in their opinion.

Work Experience- people with different amount of work experience share a similar view about the role of HR.

C: FINDINGS OF THE ASSESSMENT OF TRAININGS RECIEVED

The purpose of this section was to find out the kinds of trainings that are received by an expatriate before going to the Host (New) country. The responses were obtained on three scales of ‘Received’, ‘Somewhat Received’, and ‘Not Received’.

The combined mean score of this section is 1.44, which shows that respondents received very less training before going to the other country.

Most of the respondents had 'Somewhat Received' training on all the aspects, like Technical training.(e.g. Process Training), Training of new language, Training related aspect that would give a deep insight into the Host/New country, Managerial skill development, Training related to practical aspects, Training to family/spouse and children. A highest of all was received on 'Training of new language', which shows that they did receive some training about the language of the new country.

The results also show that least training is given to family/spouse and children in the process of expatriation. There was no training given at all on these two aspects 'Training to spouse to adjust to new culture', and 'Helping spouse find a job' as the score obtained was 1 for both, which stands for 'Not Received'.

D: FINDINGS OF THE ASSESSMENT OF NEED OF EFFECTIVE TRAINING METHODOLOGIES AMONG RESPONDENTS

The objective of this section was to gauge the perceived need of training and assistance that Expatriates expect to be delivered to them. To understand kinds of training those are necessary to be given to expatriates, according to them, before going to the other country. Effective training methodology would ensure the success of an expatriate.

The responses in this section were obtained on the following scales: 'Always Important', 'Somewhat Important', 'Rarely Important', and 'Not Important'.

A combined mean score of 3.24 of the section shows that people feel it is important to receive proper training before going to the other nation.

Analysis was also done to find out if there were differences in opinion about the need of training and assistance that Expatriates expect to be delivered to them on the basis of the following:

- Marital status
- Work Ex.

Marital status- the results clearly show that respondents of both the kinds (single and married) share a similar opinion the training that they should be given. There exists an insignificant difference in their opinion.

Work Experience- people with different amount of work experience share a different view on the need of training and assistance that Expatriates expect to be delivered to them. There exists a significant difference in their opinion.

CHAPTER 6

SUMMARY AND CONCLUSION

The topic of the research is “Changing role of HR Managers in global market place (With Special Reference To The Role Played By HR In Expatriate Management)”. The research was conducted keeping in mind the following objectives: ‘To study the role HR in managing Expatriates.’, ‘To understand the perceived effectiveness of training received by Expatriate employees.’, and ‘To develop a suggestive framework for organizations- on training the expatriates’.

Firstly, information about the personal details was obtained. The respondents varied on parameters of organization, work experience, marital status, gender etc were obtained.

Secondly, the importance of role played by the HR Department/Manager was found out. According to the results it is clear that employees believe that HR plays integral role in the training process. Also, the HR Dept/Manager plays important roles of ‘Trainer’, ‘Mentor’,

‘Communicator’, ‘Change Agent’, and ‘Leader’. They guide, motivate, train and deal with the emotional aspects of the Expatriate.

Thirdly, it can be inferred from the results that the Expatriates do not receive adequate training before going to the other country. They are given very less guidance about the new language of the host country, aspect that would give a deep insight into the New country, such as cultural values, business etiquettes, current affairs and relations the Host country and the parent country, different non verbal gestures used. Training of Managerial skill development, Training related to practical aspects is also insufficient. Least assistance is provided to family/spouse and children in adjusting to the new country. Inadequate training on such aspects may result in failure of the Expatriate Program, which may in turn affect the business outcomes also. Since, such an Expatriate may face troubles adjusting to the new country. Therefore, it is very important for organizations to adequately train their employees effectively before sending them abroad.

Finally, the last section helps in determining the perceived need of training and assistance that Expatriates expect to be delivered to them. The expatriate strongly feel about the fact that it is very important for organizations to effectively train its employees before sending them to other nations ,the only exception being the respondents having more than 5 years of experience who feel technical training is not that important for them as it is for respondents having experience in the range of 2-5 years.Overall,they feel that they should receive prior training about language, culture, religion, practical matters, problems that may arise, non verbal gestures etc. and other details of the other country. They also agree that it is important on part of Expatriates to exhibit flexibility, cultural empathy and adaptability in accommodating to the new country. Also, they share a strong opinion about assistance being provided to their family, spouse and children. Helping the family with education, medical facilities, finding new job and housing facilities is also important.

Therefore, we can conclude by saying that HR plays an important role in management of an Expatriate. Also, organizations are providing unsatisfactory training to their Expatriates.

They should develop some effective methodologies to ensure success of the Expatriates and in turn achieve business objectives.

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3	The HR Manager must extensively train an expatriate before leaving and after reaching the new country.				
4	The HR manager plays the function of communicator in clearing doubts, issues and inhibitions (if there were any) before leaving.				
5	The HR Manager should also take care of the emotional aspects of an Expatriate.				
6	The HR Manager must prepare the Expatriate employee about the unforeseen challenges that may arise in the new country				
7	The HR Manager must generally brief about the ways and means to solve the issues that might arise in the other country.				
8	The HR dept must develop and provide training on various OD interventions which would help the Expatriates in managing the change and in adaptation to the new culture.				
9	Effective leadership by HR Manager determines success and failure of an Ex.				
10	The success of retaining the repatriates depends equally between the HR and the organization.				

SECTION C

This section aims to know the kinds of trainings that you received before going to the Host (New) country.

S. No	Kinds of training	Received	Somewhat received	Not received
1.	Technical training.(e.g. Process Training)			
2.	Training of new language.			
3.	Training related aspect that would give a deep insight into the Host/New country.			
a)	Social and business etiquettes			
b)	History and background.			
c)	Cultural values and priorities.			

d)	Geography and its major cities			
e)	Current affairs and relations the Host country and the parent country.			
f)	Religion and role of religion in daily life.			
g)	Different non verbal gestures used.(ex. To greet, wish etc.).			
h)	Laws & Rules/Regulations.			
i)	Political structure of the country.			
4.	Managerial skill development.			
a)	Motivation to work in new country.			
b)	Flexibility and adaptability.			
c)	Decision making skills.			
d)	Interpersonal skills.			
e)	Team building skills.			
f)	Cultural empathy.			
5.	Training related to practical aspects:-			
a)	Currency.			
b)	Transportation			
c)	Hours of business			
d)	Time zone.			
6.	Any other training received, please specify.			

Did the company also provided training to your family/spouse and children in adjusting to the new country?- Yes/No

If yes, answer the following mark answers for the following options, as done above.

1.	Training to spouse to adjust to new culture			
2.	Helping spouse find a job			
3.	Educational facilities for children			
4.	Housing facilities for family			
5.	Helping the parents back home(By providing special facilities)			

SECTION D

Following are the statements that represent the perception of the employee regarding the benefits of Expatriate training. Please put a tick mark that best fits your opinion. The options for each statement are **AI**-Always Important, **SI**-Somewhat Important, **RI**-Rarely Important, and **NI**-Not Important.

S.No	Statements	AI	SI	RI	NI
1.	Technical training is very important for Expatriates before taking up the assignment, as it results in higher performance.				
2.	To interact with people it is important to have good command over the local language.				
4.	Poor understanding of new social and business etiquettes can create problems and business losses.				
5.	Understanding of cultural values & their priorities helps in better adjustment.				
6.	Knowledge of different non verbal gestures (ex. To greet, wish etc.) that are used by them helps in better interaction with the locals of the country.				
7.	An Expatriate must carefully understand the Laws and Rule/ Regulations of the Host country.				
8.	Flexibility and adaptability are required to accommodate yourself to new country.				
9.	To understand people of the new country it is important to respect their culture and have cultural empathy.				
10.	Knowledge of their Currency is important to deal with financial issues.				
11.	Training should be given to spouse to adjust to the new culture.				
12.	Help should be given to spouse as well in finding a new job.				
13.	Educational facilities should be provided for children of Expatriates.				
14.	Company must also provide insurance facilities for the employee & family.				

15.	The parents back home should be helped by providing them special facilities.(Medical, financial, housing etc.)				
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