# King's Business School, King's College London

## Cover Sheet for Assessments 2020/21

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| **Candidate ID:** | **AB16575-6SSMN339** |
| **Module Code:** | **6SSMN339** |
| **Module Name:** | **Human Resource Management** |
| **Word Count:** | **1911** |

Please complete the above candidate and module information and provide your answers below.

Where applicable students should clearly state the question(s) they are answering (e.g. Question 1, Part A) so it can be clearly identified for markers.

**DECLARATION BY STUDENT**

This assignment is entirely my own work.

I understand what is meant by plagiarism/collusion and have signed at enrolment the declaration concerning the avoidance of plagiarism/collusion.

I understand that plagiarism/collusion is a serious examinations offence that may result in disciplinary action being taken.

I understand that I must submit work BEFORE the deadline, and that failure to do so may result in late submission penalties.

I understand that where a word limit is indicated, I should adhere to the word limit and failure to do so may result in penalties.

By completing this assessment, you acknowledge that you have read and understand the above. Please do not sign your name.

**Q5 - What can multinational corporations do to avoid expatriate failure?**

Wars have historically been viewed as the main drive behind increasing geopolitical influence. However, in modern times, mankind has found other means of achieving this goal, which go beyond the physical aspects of warfare. In 1600 The East India Company was founded by the British to trade goods from and to India. This company can probably be identified as the first multinational corporation of history as its profits derived also from outside their home country. To finally reach what we commonly refer to as multinational corporations, however, we have to wait until the 1820s, when, according to O'Rourke at al., a very big globalisation bang took place (O'Rourke & Williamson 2002).

Companies may gain huge benefits from expanding to other countries and continents. These include bigger market shares and access to cheaper materials and workforce; normally, the last two advantages happen when a corporation expands from a developed country (like the US or Germany) to a developing country (like India or China). A common practice that multinational corporations take advantage of is to send employees – expatriates – from their headquarters to overseas offices or subsidiaries for business operations. There are several reasons why companies are interested in expatriation (also called international assignment). These range from control and supervision over foreign offices, to increasing knowledge transfer between subsidiaries, or lack of qualified talents (especially in developing countries).

In spite of the lure of an abroad experience, the failure rate of international assignments is very high, according to Mansor et al., failure rates are somewhere from 30% to 70% (Mansor, Hamid, Kamil & Abu 2014). Failures are of two types, the first one is when the expatriate decides to come back before the end of the assignment; the other one happens when the expatriate does not achieve the objective set by the company. To reduce the failure rate, companies delegate international HRM (IHRM) departments to identify and prepare the ideal candidates. HR managers need to carefully look at the main issues that may lead an assignment to fail and select the candidates whose traits are better suited to the experience.

A good candidate for an international assignment is one who can speak the local language. Some countries utilise a *lingua franca* (like India with English) and speaking it may be enough, other times the expatriate may need to learn the local language. At the office, the language is necessary to understand each other and to achieve goals set by the organisation. Outside the office, it is fundamental to build a social life and to perform daily activities such as shopping, commuting, etc. The IHRM department should select a candidate who is confident with the language, preferably with living experience in the selected country, or provide them with adequate training. Social life also plays a significant role in the success or failure of the assignment. Thus, traits like extroversion, agreeableness, emotional stability, etc. should be sought in the candidate.

Another issue for expatriates could derive from the family. In fact, international assignments often last for a year or more and employees face the choice to either leave without family or bring them along. The latter option may bring more social stability to the employee. However, it introduces the risk of increased pressure on them to get back to their home. In some countries, including the UK, it is illegal to ask about family relations, so the IHRM department should consider offering adequate training to all the family members, and clearly state it. This training should not only teach the language,

but also the culture (to help with integration), the traditions, the value of the local currency (to help them in everyday purchases), and possibly some suggestions about daily activities.

Religion, political ideas, sexual orientation, etc. are also factors to consider when selecting the right candidate. In some countries, for example, same-sex couples are not well accepted; as a result, the expatriate may be subject to psychological pressure and could ask to prematurely terminate the assignment. At the same time, the expatriate should be tolerant towards foreign cultures and identities.

An early return to the headquarters may also be dictated by the fear of a slowdown in career advancement derived from losing touch with colleagues and shrinking networking opportunities. According to Yao et al., Chinese expatriates are very concerned with this issue (Yao, Thorn, Doherty 2014). Hence, the IHRM should warn the candidate of this risk prior to the departure.

Expatriates should be selected by the IHRM department following a process very similar to the normal hiring selection. Candidates should be judged based on the prerequisites necessary to integrate in the new country, as well as those necessary to achieve the goals set by the company. These goals depend on the type of assignment (prerequisites normally include excellent skills and competence, and the ability to communicate them). Circumstances such as family, prior international experiences, and tolerance for other cultures are other factors to take into account.

Since many people struggle to adapt to a new lifestyle, food, social habits, different living conditions, etc. the HR department should also be realistic on the expectations of becoming an expatriate. This way, candidates that lack the required drive and determination might step back, preventing a later failure. Finally, expatriates should receive adequate, these could be monetary, allowances on the cost of livings, on housing, education, etc., or could be hardship premiums depending on the destination. Hardship premiums may be increased based on remoteness, extreme climate, and geographical conditions, health risks and political concerns, crime, and family-unfriendly conditions.

To conclude, there are several practices a company could take to mitigate the risk of international assignment failure, and almost all of them come with a significant cost for the company. However, compared to the cost entailed by an actual failure, there are no doubts these investments are worth it.

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**Q4 - How can interviewer bias be mitigated in the context of a selection interview?**

Human beings are capable of two kinds of reasoning: conscious and unconscious. The first is rational, voluntary, and controllable; the latter is a trace of evolution derived from instinct, hence, immediate, but also irrational, and out of our control.
Unconscious thinking is normally triggered as soon as we see something (or meet someone) new, and instantly shapes an idea which we use as a base of judgment. The problem with this form of bias is that, in a context such as that of a selection process, it affects the overall rating of a candidate. In other words, the applicant is not assessed only on their technical skills and their fitness to the role, rather, part of the evaluation is derived from the prejudices of the recruiter.

According to Bar et al., during job interviews (or generally when we first meet someone), recruiters form a first impression on candidates within 39ms without even noticing it (Bar, Neta & Linz 2006). These instantaneous biases are not necessarily negative for the applicant. For instance, in the "similar-to-me effect", recruiters enhance the ratings of candidates who appear similar to them in tastes and experiences. Another positive bias comes from the "halo effect", wherein the interviewee's appearance (most commonly the physical attractiveness) improves their overall perception. The opposite also happens and, as proven by Pingatore et al., obese applicants (female overall) are less likely to get the job (Pingatore, Dugoni, Tindale, & Spring, 1994).

One might argue that this initial prejudice is temporary, and the candidate's performance can overcome it throughout the interview. This is partly true, especially when the bias is positive but the candidate performs poorly, but generally, once we are biased against a person, we only try to prove our bias is correct without changing our mind (Snyder and Swann 1978). Some techniques exist to mitigate biases. The first step is admitting that we are biased; although prejudices may still affect the way we relate to and judge people, awareness is a means to mitigate them. For instance, in the similar-to-me effect, a recruiter aware of this phenomenon may notice its influence and actively try to compensate for it

Another option is to have multiple people assessing the same candidate. There would still exist the chance for recruiters to be influenced by the halo effect, but someone who may not perceive it as much as the others could be more impartial in their judgment, or they may get to argue more about candidates' strengths and weaknesses, reaching more objective conclusions.

The main issue with both of these approaches is the biological identity. When we meet a person who is similar to us, not in their background, but in their culture, their language, their skin tone, their gender, etc. we create a bias which is far deeper than those generated by the halo and the similar-to-me effect. A homogenous group of recruiters may not be able to remove these prejudices. This is one of the main reasons why working environments tend to be homogenous.

If we analyse the bias problem from a different perspective, we can identify the recruiters as the real weak chain in the selection process. Removing recruiters can provide opportunities to alleviate and possibly eliminate the prejudicial aspects of most interviews. This can be achieved with the use of marking schemes. Structured interviews embody this concept: they are composed of a series of questions which have to be asked in a predetermined order, and the answers are rated based on a preformatted scale. This way, the final rate will not be affected by biases and recruiters tend to agree

more on who to hire after structured interviews. Candidates hired from this process are associated with reliability, better job performance, and promotions, proving how bias can negatively impact the selection process for a company (Mayfield 1964).

Plain structured interviews can be further improved by utilising them in parallel with other selection methods. Behavioural interviews question candidates on past experiences and how they behaved in those situations. Situational interviews take a different approach instead, relying on hypothetical situations rather than real past experiences. The former are effective in gaining insight into how candidates reacted in certain circumstances, but some applicants may have less experience and cannot provide an answer, making it hard to compare them. The latter, instead, prevents this issue with the use of a fictitious situation. A major issue that arises with the use of these techniques is the lack of evidence regarding whether interviewees did/would act in the said way or are just claiming it to appear more adequate for the job. A more eloquent candidate may in fact lie yet sound so confident that the recruiter is lured by his words and becomes positively biased against them.

An issue that is congenital to structured interviews is their lack of flexibility. They cannot exhaustively score all the traits of a candidate's personality. For instance, a desk employee has to show a high emotional intelligence. They have to inspire professionality, be friendly, and often put customers at ease.
Structured interviews cannot achieve this, and a recruiter has to trust their instincts and intuitions. Bias in this context is informed by the experience of the recruiter and helps them make a better decision. For as good as it can be, a structured interview is not enough in these situations, instead, a recruiter has to trust their guts, and, in spite of what said until now, bias may possibly be good.

To sum up, there exist roles for which candidates should be assessed with some bias, at least for the interpersonal skills, but overall, its influence should be very limited in order to objectively evaluate applicants. This way, organisations are able to hire the most talented candidates who can bring the most benefit to them, regardless of their physical aspects, tastes, or any other appearance.

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