King's Business School, King's College London

Cover Sheet for Assessments 2020/21

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Module Name:	Human Resource Management
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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.

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

People have always felt the need to expand and to conquer other territories, and the most effective way was the war. In ancient times, most of these wars were physical, with armies ready to die, but thanks to trading, mankind found out that physical war was not the only means to expand. In 1600 The East India Company was fund by the British to trade goods from and to India. Some identify this company as the first multinational corporation as its profits derived also from outside their home country. To finally reach what we commonly intend 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 hugely benefit from expanding to other countries and continents, including bigger market shares, cheaper materials, and cheaper 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 appeal to it 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), such as control and supervision over foreign offices, knowledge transfer between subsidiaries, lack of qualified talents (especially in developing countries), etc.

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 mission set by the company. To reduce this rate, companies delegate international HRM (IHRM) departments to identify and prepare the ideal candidates in order to increase the chances of success. HR managers need to carefully look at some main issues that may lead an assignment to failure and select the candidates whose traits are better suited to the experience.

First off, a good candidate for an international assignment is one who can speak the local language. Some countries have a lingua franca (like 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 to efficiently achieve goals set by the organisation; outside the office, it is fundamental to build a social life and to cope with daily activities such as shopping, transports, etc. The IHRM department should select a candidate who is confident with the language, preferably with living experience in such a country, or provide them with adequate training. Social life also plays a significant role in the success or the failure of the assignment, as such, traits like extroversion, agreeableness, emotional stability, etc. should be sought in the candidate.

Another issue for expatriates could be the family, in fact, international assignments often last for a year or more and employees face the choices is to either leave them at home, even though it is unlikely to happen (especially when the family includes employee's kids) or bring them along. The latter option may bring more social stability to the employee themselves, however, it introduces the risk of an unsatisfied family which could put pressure on them to return to the homeland. In some countries, including the UK, it is illegal to ask about families, 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 appreciate it and to integrate), the traditions, the value of the local currency (to help them in everyday purchases), and possibly some hints about daily activities.

Religion, political ideas, sexual orientation, etc. are also factors to consider 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 pressures and could ask to prematurely terminate the assignment. Vice versa, 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 slow down in rakings escalation derived from losing the social networks and the contacts with the colleagues. 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 with 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). Family circumstances, prior international experiences, and tolerance for different are other factors to take into account.

Since many people simply struggle to adapt to their new lifestyle, food, social habits, different living conditions, etc. HR should also be realistic on the expectations of becoming an expatriate; this way, not very convinced candidates may step back and prevent a later failure. Finally, expatriates should receive compensations for what they are doing, 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 by 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 reduce the risk of international assignment failure, and almost all of them come with a relevant 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 subject to two kinds of reasoning: the conscious and the unconscious ones. The first is rational, voluntary, and we are in control of it; the second one is more like 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, biases affect the overall rating of a candidate. In other words, the applicant is not assessed only on their technical skills and their fit to the role, rather, part of the evaluation is derived from the prejudices of the recruiter.

During job interviews, recruiters judge candidates within the first 3 seconds without even noticing it. 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 nice interviewee's appearance (most commonly the physical attractiveness) improves their overall perception.
As it is logical to think, 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 may argue that this initial prejudice is just temporary, and the candidate's performance can reshape it throughout the interview. Partly, this is 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).
Due to biases unfairness in selection processes, some techniques have been invented to mitigate them.

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. Take for example the similar-to-me effect: a recruiter aware of this phenomenon may pay more attention to it and try not to be influenced by shared backgrounds with the applicant.

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 real issue with both of these approaches is the biological identity. When we meet a person which is similar to us, not in their experience, 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 annihilate this aspect, and 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 is something illogical to think of, but what if we provide them with some guidelines they have to adhere to so that they can assess candidates based on premade marking schemes? Structured interviews embody this concept: they are composed

of a series of questions which have to be asked in a defined 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 enhanced by mixing them with other selection methods such as behavioural and situational interviews. Behavioural interviews question candidates on past experiences and how they behaved in those situations, whereas situational ones are similar, but the situations are hypothetical rather than being past experiences of the candidate.
The former are good to know how candidates reacted to the context, but some applicants may have less experience and cannot provide an answer, making it hard to compare them. The latter, instead, put all the candidates on the same level as the situation is fictitious. The question is how to figure out whether interviewees did/would act in the said way or they are just claiming it to appear more adequate for the job. Someone who is good at talking may in fact lie yet sound so confident that the recruiter is lured by his words and becomes positively biased against them.

Even extending structured interviews though, there will always be personality traits that a test cannot score. Think of a front desk employee: they have to be confident, inspire professionality, and possibly sympathy.
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.

The above-mentioned case is extreme in a sense, but the idea is that structured interviews may not cover all the possible aspects of a candidate.

To conclude, 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 to them, regardless of their physical aspects, tastes, or any other appearance.

References

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