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Introduction

IHRM or “International Human Resource Management” has been established as a very significant sector in the interest of its multifaceted nature conceptually and empirically. They centrally control the procedure of recruiting, training, and developing employees in international organisations. The rising numbers of MNCs or “Multi-National Companies” are directly proportional to the necessity of engaged attention toward the developing IHRM system. In this assignment, the current condition of the IHRM, its proficiency, and its weakness are going to be discussed. This study is focused on two major points with the first being **the main aim of the MNCs to use international transfers**. The second is analysing **the alternative forms of international assignments in detail**.

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What are the main motives for MNCs to use international transfers?

Concept of International Transfers

The basic concept of international transfers aims towards the betterment and development of a particular company. Bonache and Festing (2020) asserted that international transfers or expatriates include the procedure in which employees are expatriated to different countries in order to learn and develop their overall working skills. The venture of expatriating has increased a lot over the last decade. Providing a better environment and exposure for the employees ultimately brings the goal of standing out in the market of competition closer (Bonache and Festing, 2020). Transfer for coordination and control seems to be the topmost priority in such cases. The number of expatriates is kept on notice. They are continuously monitored and kept in record to analyse the differences. Expatriates can be picked from any designations based on their performance level (Bonache and Festing, 2020). The transfer policies include the facilities of sustenance and necessities of the employee until their return. These international ventures not only improve the company's benefit but also accelerate the employee's profile. (Bonache and Festing, 2020) opined that the nature of the transfer depends on the specific needs of the company at that particular time. The process can be preponed or postponed according to the essentiality. International transfers are important highlights for MNCs in order to

proclaim a good standard in the current market. The following point will discuss further regarding this (Bonache and Festing, 2020).

The Importance of International Transfers for MNCs

As mentioned earlier, the increasing need for International transfers influences the individual development of each company. The MNCs playing impactful positions in the economy of every country have the need to keep a wide range of flexibility in their transfer policy. The strategies developed regarding this context improve their market appearance and makes a place for them to stand apart from the crowd. MNCs have been following the policy of transfers for decades to develop knowledge and proficiency. The MNC transfers its employees in accordance with the needs of the latest development.

IBM, a leading MNC in the corporate world, has shown multiple examples of sending expatriates in the last few decades. According to the surveys IBM undertook, managers, are more than happy to send their employees away to gain more knowledge. As Crozier says, "*it yields greater returns*" (Umoh, 2017). They have also mentioned that the absence of expatriates makes it easier for the managers to notice the ones who try to step up in the vacant places. Employees like Dawn Harris and Sharon Dineen who were sent to the Philippines and Turkey in 2013 share their gain in experience. In studies by Umohs (2017), Dineen has also mentioned how enlightening this project has been for her to understand her hidden talents. IBM poses as a perfect example of putting their eligible employees to step out of their comfort zones and face challenges in order to develop the interest of the company.

Strategic Motivators for International Transfers in the case of MNCs

Some strategic movements are there to be applied by the MNCs. The management tries to input such important key factors involving economic and business-oriented strategies like management control and decreased risk factors in achieving success. Wall-Mart in the USA shows a perfect example of strategies. In Wal-Mart's case, the application of certain strategies has been helpful. Examples are the applications of absolute advantage, imperfect market theory, comparative advantage, global strategies, international trading, etc (Matanga, 2018).

The MNCs generally employ a complicated mechanism for meeting the “Global Organisational Objectives” (Sagedar *et al.* 2019). In the case of the Wall-Mart, we find the issue of communication between cross-cultures. According to the analysis of the success of the Wall-Mart, the proper execution of the business and economic theories played the most major roles (Matanga, 2018). Though there are some existing flaws in the cross-cultural situation of the company, the successful example of the Wall-Mart can be considered as a guideline for the betterment of some other companies. While International Transfers can be subject to concern for new companies but successful examples like the Wall-Mart can exemplify positively.

The Challenges for International Transfers by MNCs

Given that the procedure of International Transfer is an important key to upgrading the technical, environmental, and professional skills of the employees, the process fails at times too. In case the expatriates fail to adapt to the changed environment they can risk the process.

- ***Language Barrier:***

When an MNC sends an employee as an expatriate, one of the main causes of failure might be the language barrier. An employee shifting from a different country cannot always learn the regional language. This becomes a hindrance in adjusting to the work environment of the branch he has been transferred into. According to Hamze and MM (2020), In case of a language barrier, the employee might not meet the expectation of developing the venture that was initiated. The language barrier has caused companies like Unilever in Britain to back away after the rise of globalisation (Jawad, 2020).

- ***Complexities in adjustment:***

The employees sent for training might not be able to adjust to the circumstances he is put in. Moving into a new country and adapting to the differences as well as attending the training period might put a lot of pressure on them. In this scenario, the MNC holds the sole responsibility for the failure including the financial loss and the wastage of time (Jawad, 2020)

- ***Cultural Orientation:***

According to some experienced expatriates, they deal with a common problem of cultural orientation (Jawad, 2020). Because of the increased ethnocentrism, the

transferred employers lack the enthusiasm for better learning. As an example, Shonk (2021) states that Apple's public strategy to redeem its business market in China. While China remarked Apple as "arrogant" for less warranty in products, Apple advanced with a scheme of public apology to overcome the cultural barriers.

- ***National Legislations:***

Through some research, it has been observed that the expatriates face suffering due to the Government's national legislation with the domestic nationalisation. Some of the senior expatriates opine the same (Jawad, 2020).

The mentioned challenges faced by the expatriates affect the strategies deployed by the MNC. The consequences affect finances when the goal is not achieved. Moreover in the case of junior employees failing the training program might affect the profile of their manager. While talking about the consequences we might as well include the possibility of jeopardised projects. At times, the loss can be unreparable.

Recommendation for Future International Transfers in MNCs

For better ventures in the future there are some measures the MNCs might consider while planning an expatriation.

- ***Usage of Social Media:***

The MNCs can use social media platforms and online collaboration to aid the expatriates regarding various issues that can be faced by them. It is time to reflect on the developed attitude by the expatriate management, to introduce smarter ways to reach out to the trainees keeping aside the traditional method of training. After the COVID-19 outbreak, the use of social media among individuals has increased in a rapid manner (Sahakiant and Dorner, 2021)

- ***Language and Cultural Training***

Before moving the employees to an International extent, the companies should provide proper session of training. The training sessions should take place sometime before the migration. It should include proper language training with a skilled instructor. Learning a new language might be as difficult for some employees according to their adaptive capability. Special attention should be provided in such cases to provide them with some basic knowledge at least. The sessions should inform the employers of the changed cultural backdrop of the country they are being moved to.

- **Expatriates' families:**

In the case of expatriates, their families left in the domestic countries might arise problems. The authorities should be aware of the problems interrupting the training procedure and provide ideal solutions. By that, the project stays undisturbed and the employee doesn't get a chance to back out from the program (Dang *et al.* 2021).

- **Communication**

Continued communication is key to avoiding a lot of problems while expatriation. If the MNC stays in regular communication with the employee, major and minor issues can be resolved. Regarding this concern, the Human Resource team should reach out and try their best to maintain good communication throughout the time to maintain a feasible condition. Transparency and honesty between both sides might provide a less troubled expatriation. Edge Transfer (KT) in the case of the MNCs in two ways- CKT and RKT. CKT or Conventional Knowledge Transfer defines the transfer of knowledge from the headquarters to the offices in subsidiary regions (Bonache and Brewster, 2001). Conversely, RKT or Reverse Conventional Knowledge defines the transfer of knowledge in an opposite manner. At times, a manager is transferred internationally to a headquarters of an MNC to develop and return with developed management skills (Bonache and Brewster, 2001). An ordinary employee can be transferred to a subsidiary branch for learning.

Alternative forms of international assignments along with benefits and drawbacks of using short-term international assignments

MNC's are increasingly sending employees abroad for international assignments due to a growing number of traditional expatriates that are relocating for various reasons like management development, organisational development and position filling requirements. One of the main reasons is the growing issue of obstacles associated with employees refusing to accept work globally which leads to having a dual-career. As per the view of Guedhami *et al.* (2022), the substantial cost that is included in traditional expatriates is also taken into consideration. MNC's are opting for Virtual assignments, Frequent Flyer assignments, Short term assignments and even rotational assignments for employees. Companies prefer alternative assignments, which require sending out expatriate teams, which helps divide the cost and corporate expenditure to increase overall profit of the company. Internationalisation

of companies is now being taken over by domestic firms (sciencedirect.com 2023). Many companies send expatriates to fill the gaps of skilled personnel in the management positions.

Expatriates are also sent to gain experience globally, and attain career growth. The process of international assignments is known to be a fundamental building block to leadership competency. International competencies have been known to be the single most influential force as of now for development of managers. It has a strong influence on building up global and managerial competency. If employees take up more global assignments it expands the company's opportunity to expand in a broader market, examples of such MNC's include Lego, a Danish toy company which took over US toy market share by 10% (Forbes.com 2023). MNC's are now focusing on the main three types of international assignments which are short term, extended and traditional long term assignments. The duration of short term assignments are up to 6 months where the employees are required to fill in roles that are based on problem solving and management issues. It also includes roles of supervising projects until it is necessary to arrange a long term shift to the host country. In short term assignments the expatriates are not given all the financial, residential, relocation benefits.

On the other hand, the extended assignments usually last up to one year and traditional long term assignments take 12-36 months. Employees who are given long term assignments are provided with relocation and annual leave charges. Companies like HSBC are making \$4.5 billion worth of massive worldwide restructuring to build worldwide market value (Forbes.com 2023). The biggest issue of the companies is the cost of each assignment which includes the taxation charges, educational allowances of family of long term employees. Despite the extra cost, according to a study, companies expect a 45% rise in traditional assignments where the employees are to relocate their families for 3-5 years (Economist.com, 2023). Executives are still declining the foreign assignments, but due to increased market competition and saturated domestic markets, companies are coming up with more such opportunities. Nearly 80% of midsize companies prefer to send professionals abroad. The companies are concerned that between 10%-20% of executives are returning early from international assignments due to lack of job satisfaction and difficulty to adjust in a foreign country and unknown customs (Hbr.org, 2023). It is important for companies to take into consideration that the

employees are not only technically skilled but they also have enough cross cultural abilities.

It is necessary for companies to carefully select such executives to increase company performance. A personal drive to communicate on a larger scale is also necessary. Identifying people who are not afraid to communicate in new languages is important. Nokia, which is the second largest mobile manufacturer, scans the executives, engineers and designers to select people who are more likely to come up with more creative business approaches in an unknown team environment (Bbc.com, 2023). Other companies take a more formal approach of assessing the foreign assignment employees and provide training for all candidates. As more companies are expanding out globally, it is increasing the dependency on the expatriates. According to KPMG's 2021 Global Assignment Policies and Practices Survey, 88% of MNC's are taking up long term (5-6 years) opportunities when offered (shrm.org, 2023). On the other hand, 69% of companies continue to accept indefinite or permanent transfers.

Moving abroad for short-term international assignments has benefits like experiencing the global market and cross cultural benefits including earning stability. Expatriates benefit the most from the exposure in the global market with ecommerce and trading being done on an international scale (Forbes.com, 2023). Internationally working also increases the professional network and helps in building professional relationships with higher executives. Cross cultural communication makes employees a better communicator, significantly increasing the diversity. For example, in the past two years there has been a steady increase in the value of Pound's when it is compared to Euro (internations.org, 2023). Employees, who are interested in travelling, also take up such opportunities by being motivated to travel and discovering new cultures. Short -term international projects are better for the employees who do not prefer to stay for a long time in a new country. These opportunities increase self esteem and confidence which leads to a sense of satisfaction and provides better motivation.

The extensive global workforce revolution reports the employees agreed that the reason for accepting the international assignments were related to enhancing the hybrid and virtual style working. It is a common misconception that working abroad would lead to ineffective dynamics of specific issues like progressive legislation. These issues can be avoided by researching locations and assessing the proper way

to conduct desired outcomes in the workplace. It is also very beneficial for employees to include the international experience into resumes to enhance further growth in career. According to the Alternative International Assignments (AIA) survey in 2020-2021, employees are prone to accept short - term assignments rather than sudden long term transfers to another country. A 90-day notice period is given mutually from both sides before a short term assignment. Microsoft has set an example by majorly increasing the market by just building offices in Korea, Europe, China and Germany (Britannica.com 2023). This helped in increasing its availability in the world avoiding shortage of product supply.

Despite such benefits, executives who are transferred abroad often face diversities as well. These include short-term travel cost, inability to adjust to new environments leading to demotivation in work. There are many hidden costs that are not included in the short term international projects, for example, short term transfer employees are not given annual leave charges and residential benefits. Living costs vary from country to country which ends up putting financial pressure on the employee. One of the main drawbacks is the travel cost itself. When essential costs like medical care and social security are not taken into consideration it leads to expansion of budget while the foreign taxation systems also become a burden often. It is often seen that the cultural nuances become a great deal when dealing with an employee from a diverse background. Inability to communicate with peers can mislead a worker and cause demotivation. Expatriates, suddenly being absent from work for 6 to 10 months causes valuable work relationships to deteriorate. In China, the expatriates who come back after working overseas are often unable to consciously overcome the cultural difference; known as sea turtles and such adversity also causes dramatic change in salary structures (Forbes.com 2023). Here, an example of Walmart can be given as its globalisation hit a block in Japan's market despite bringing in \$500 billion globally, of which three fourth of the sale was acquired from the US (Forbes.com 2023). Similarly, UK based company Tesco caused the British chain almost \$1.8 billion by closing nearly 200 outlets on the West Coast, making it a 11 year lowest profit for Tesco (Hbr.org 2023). This proves that changes might be necessary to match cultural differences despite taking all necessary measures.

International assignments can also cause employees to have personal life related issues which in the short term assignments are avoidable but can cause expatriates to decline such offers or make unprofessional choices. The short term projects

usually require overlooking projects which is why smaller companies take up such cases more due to lower chances of failure. According to Society of Human Resource Management, almost 86% of companies invest in such projects whereas only two third actually maintain specific protocols to train employees through HRM (Shrm.org 2023).

Conclusion

Therefore it can be concluded that MNC's are using international transfers to better the communication and aiming towards development of the company. The main goal is to proclaim a good standard in the current market by expanding product reach. Transferring employees from headquarters to subsidiary offices leads to a rotational environment causing diversity in work. Similarly, the alternative forms of assignments are taken up by companies to attain global growth and employees accept these roles for the betterment of career. Even though there are benefits like exposure to foreign market on the other hand, there are drawbacks like improper cost management.

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