Carolina Machado   *Editor*

International Human Resources Management

Challenges and Changes

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Preface

International Human Resource Management (IHRM) covers the issues related to human resource management (HRM) in an international context. Today's organizations are no longer established only inside their home country frontiers. By the contrary, day after day they are looking for new markets and opportunities, in order to obtain better performance and productivity levels. International, innovative and pro-active strategies are needed. The consequences in these organizations human resources (HR) are considerable and with a huge relevance. Considered HR as one of the main critical success factors of today's organizations, it is urgent that the issues related with their management in an international perspective lead to the implementation of effective IHRM strategies, policies and practices in a context of a growing international and global activity of these organizations. The internationalization phenomenon, and consequently the organizational activity globalization, exerts a strong impact in HRM, making it imperative to competitive organizations to develop HR strategies in an international scale.

Conscious of this reality, this book looks to contribute to the exchange of experiences and perspectives about the state of IHRM research, as well as the future direction of this field of research. It looks to provide a support to academics and researchers, as well as those that operating in the management field need to deal with policies and strategies related to work issues and HRM in an international environment. Interdisciplinary perspectives to further our knowledge and understanding of the IHRM and related challenges and change processes and work practices in an international field are need.

Addressing these questions this book looks to explore the models, tools and processes used by international organizations in order to help international managers become better prepared to face the challenges and changes in their HRM and, consequently, in the way how to manage todays' organizations in a global and competitive market.

Looking to share knowledge about IHRM through debate and information exchange, this book covers IHRM in eight chapters. Chapter 1 discusses "Talent Management: Contemporary Issues in a European Context". Chapter 2 covers "Knowledge Flows in MNEs and the Role of HRM". Chapter 3 contains information

on "Developing Strategic International Human Resource Capabilities in Sub-Saharan Africa". Chapter 4 describes "The Influence of Pre-departure Training on Expatriate Adjustment: An Empirical Investigation with Portuguese International Assignees". Subsequently, Chap. 5 covers "A Practice with Potential: Expatriate Cross-Cultural Training Among Irish MNCs". Chapter 6 contains information on "Psychological Contract Breach and Violation: The Case of Temporary Workers in Vietnam". Chapter 7 describes "HRM and SMEs: Contextualizing Significance, Neglect and Meaning in an International Context". Finally, in Chap. 8, "Socialization of International Students: A Case Study" is presented.

Understood as an excellent opportunity to participate in an international and interdisciplinary exchange of information, ideas and opinions about the new challenges and changes in the IHRM field, we can say that this book is designed to increase the knowledge and understanding of all those involved in IHRM issues, in all kind of organizations and activity sectors, such as HR managers, managers, engineers, entrepreneurs, strategists, practitioners, academics or researchers. We all need to know what is happening, on both national and international arenas, to be able to give and develop effective answers to meet all these new demands and challenges, reason why the interest in this book is evident for many types of organizations, namely, important Institutes and Universities all over the world.

The Editor acknowledges her gratitude to Springer for this opportunity and for their professional support. Finally, I would like to thank all chapter authors for their interest and availability to work on this project.

Braga, Portugal   Carolina Machado

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Talent Management: Contemporary Issues in a European Context

Agnieszka Skuza and Hugh Scullion

Abstract This chapter has a number of objectives: first, to examine the reasons for the growth of interest in talent management (TM) both generally and specifically in the European context; second, to examine different conceptual approaches to TM and to review debates over the meaning of TM; third, to highlight the distinctive European context which influences the nature of TM; and fourth, to critically examine some important empirical studies and debates in TM in the European context.

Introduction

Talent management (TM) has emerged in recent years as a key strategic issue for multinational corporations (MNCs) for a number of reasons [1, 2]:

- There is a growing recognition of the critical role played by global managers in ensuring the success of MNCs and a growing understanding that the success of global business depends on the quality of leadership in the MNC [3].
- Competition between employers for talent has shifted from the country level to the regional and global levels, and MNCs increasingly need to manage talent on a regional or global basis to be competitive [2, 4].
- Shortages of leadership talent and professional talent have emerged as a key HR problem for many European MNCs and they are often a major barrier to many companies seeking to internationalize their operations [5, 6].

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- Demographic trends also influence the nature of talent management trends facing organizations. Declining birth rates and increasing longevity are key demographic trends in Europe, and recent research has highlighted rapid shifts in the demographic profiles of many countries with many European countries facing rapidly ageing populations. These issues influence labour supply issues and as the labour supply declines in some countries, firms may have to change their recruitment strategies [7, 8]. Therefore, shortages of leadership talent in many regions of the world coupled with rapid changes in demographic profiles impact on the supply of labour, future talent pipelines and the retention of key leadership and professional talents [9].
- The growth of knowledge-based economies is a further factor impacting on talent management as there is a growing need by companies to hire high-value workers in more complex roles which require higher levels of cognitive ability. The retention and motivation of knowledge workers is a key talent management challenge for many multinational organizations as despite the global recession, the evidence suggests there is still a scarcity of high-level knowledge talent in many countries [10–12].
- The rapid growth of the emerging markets is a major factor impacting on talent management and has resulted in an increasing demand for a distinctive type of managerial and professional talent which can operate effectively in these culturally complex and geographically distant markets [13–15]. The evidence suggests that despite the global recession there are still acute talent shortages in key areas across the emerging markets and for example, annual turnover rates of over 40 % are reported in key sectors of the economy in India [1, 16]. In addition, there is the problem that managerial and professional talent may not be prepared to move to the new growing emerging markets as these markets are seen as the most challenging international assignments with the highest degree of risk [16, 17]. Due to the intense competition for scarce professional and managerial talent in these markets, talents are able to be more selective in the assignments they choose to accept and often prefer to avoid what they perceive to be high-risk locations [18].
- The rapid increase in demand for expatriates with the capability to develop new markets and a growing need for highly mobile elites of management to perform boundary spanning roles to help build social networks and facilitate the exchange of knowledge to support globalization [2, 18].
- The growing demand for alternative forms of international assignments such as short-term assignments, commuter assignments which together with the globalization of a number of professional labour markets (such as Health Care and Information Technology) creates new patterns of international working [19, 20]. Despite the global recession, academic studies and recent practitioner reports both indicate that talent management will continue to be a high priority issue for the majority of MNCs in future [2, 11, 18, 21–23].

Whether we look at talent management in relation to different stages of globalization or across countries, it becomes clear that there are many differences in the understanding, meaning and goals of talent management. Also, the weakness

of established theoretical foundations in the area persists and there is continuing concerns over the definition, scope and overall goals of talent management [2]. There is still considerable debate regarding both the understanding of talent management and the conceptual boundaries of this emerging field [24]. Also, the effectiveness of talent management and its added value to organizations has not yet been fully evaluated. While the importance of talent management for success in global business has been discussed in the practitioner literature, the academic community has been slower to embrace the study of talent management [25, 26]. Over the last decade, however, there has been a considerable growth of more rigorous conceptual and empirical research on talent management and a stronger theoretical base is emerging [9, 17, 24, 25, 27–31]. The early work on talent management was largely based on North American experience mainly reflecting the specific challenges faced by US organizations [1]. However, more recently there has been a considerable growth of European studies which has helped to develop our understanding of talent management by drawing on insights and learning from a wider range of cultural and institutional contexts which are present in the European context.

In this chapter, we consider both the European context of talent management and consider some evidence on the nature of talent management in European MNCs. First, we critically examine the concept of talent management and consider the key debates that emerged around this topic.

Debates Over the Concept of Talent Management

The topic of talent management came to prominence in the late 1990s following the publication of the report "The war for talent" in the late 1990s by a group of McKinsey consultants [32]. The notion of the "war for talent" reflected the view that human capital had emerged as the most important source of competitive advantage in a period when tight labour markets made attracting and retaining leadership and professional talent more challenging. The typical focus of talent management in this period was on differentiated individual employee performance, and high potentials and high performers were the main focus of attention. Recent reviews highlight the rapid increase in the number of publications on talent management during the last 10 years [25, 33]. However, Dries [25] shows that only a small minority of articles that appeared in the period were published in academic journals which highlights the slowness of the academic community to engage with research on talent management. It has been argued that this reflects concerns about the ambiguity of the theoretical and intellectual foundations of talent management and the lack of clarity of definitions of talent and talent management [1, 27, 34]. The need to understand the conceptual boundaries of the topic has seen academic publications of a mainly conceptual nature, although recently there has been a growth of empirical research on talent management with an increasingly important contribution coming from Europe [15, 18, 23, 29, 35–42]. The last decade has also witnessed a talent management agenda that is

increasingly driven by international dimensions, and writers have recently argued that global talent management (GTM) has become of increasing strategic importance to organizations [2, 17, 43].

The literature identifies three key streams or areas with regard to talent management: first, the conceptualization of talent and talent management; second, the intended outcomes and effects of talent management; and third, talent management strategies, policies and practices [33].

The first stream places a significant emphasis on the definition of talent in organizations. A major debate in the literature is whether approaches to talent should be exclusive or inclusive. Some authors advocate an exclusive approach directed at a small, elitist group of talented employees who are strategically important for organization [12, 24, 31, 44], while others favour inclusive approach that is built on the premise that all people are talented in some degree and can contribute to competitive advantage, and it is suggested that organizations should help all employees to develop their talent [23, 45, 46]. An exclusive approach is based on the notion of workforce differentiation which uses a differentiated HR architecture [47] and assumes that investing in employees with valuable and unique skills will generate higher returns than investing in employees that lack these skills [48]. It is argued that this approach is more cost-effective and efficient and has a greater impact organizational performance [23, 24, 28, 49]. It has been suggested, however, that the exclusive approach may undermine teamwork and undermine the morale of the majority of employees who are not identified as talent. In addition, there are a number of critiques of the exclusive approach based on the lack of objectivity of both evaluations of performance and potential [2, 39, 46]. Yet the evidence suggests that the exclusive approach is more important both in the literature and in practice [21]. For those advocating the inclusive approach, in the view that everybody should be seen as talent, the key question is, should an organization provide all employees with the same opportunity to succeed in the organization? In this approach, talent management should be about that set of HR practices that enables identification, exploitation and optimization of the generic capabilities of all employees [2].

The second stream of literature focused upon the degree to which talent can be acquired [39, 50]. Innate perspectives imply that talent is a mix of inborn cognitive abilities and personality which are stable and difficult to develop [51, 52]. In contrast, acquired perspectives advocate that talent is a mix of knowledge, skills and abilities that are capable of being developed and imply a focus on practice, education and learning. The assumption is that talent emerges mainly through effort and experience [53–55]. The former view suggests a greater emphasis on talent identification and selection, while the latter implies much more focus on talent development.

Another key debate concerns the degree to which talent should be operationalized through high performance or high potential. High performance is measured through realized outputs such as achievements, results and performance [56, 57]. High potential, on the other hand, is defined through input factors and implies that "an individual has the qualities (e.g., characteristics, motivation, skills, abilities, and experiences) to effectively perform and contribute in broader or different roles in the organization at some point in the future" [57, p. 380]. However, the meaning and definition of high potential is not clear and measuring potential requires

a clear understanding of what kind of individual abilities and skills organization will need in the future to be able to perform effectively. The issue of intended outcomes and effects of talent management is also an important stream in talent management research. The main focus is the organizational level and examines the contribution of talent management in three areas: first, studies using psychological contract perspective based on social exchange theory examine the narrowing of the supply–demand talent gap [10, 32]; second, the overall firm performance, strategic goals and organizational capabilities [9, 44, 58, 59]; and third, filling the strategic positions or key roles [24, 47, 60]. The outcomes are also analysed on individual level and involve employee satisfaction and engagement [48, 61]. There is a dearth of research, however, on the effects of talent management on individuals, and there is little knowledge on how employees interpret and react to talent management practices [29]. However, recently some light on these neglected aspects of talent management has been provided by psychological contract perspective-based research [23, 25, 29, 31, 34, 38, 62].

Despite the considerable rhetoric about TM, there is little evidence that organizations manage talent effectively [21, 37, 63] despite it being a key priority for European organizations [64]. The third stream of research therefore focuses on the talent management practices required to effectively manage talent in organizations. Key talent management practices typically include attracting, selecting, developing and retaining the most valuable employees [7, 17]. However, some see talent management as little more than a simple rebranding of HRM and as such simply a new term for existing practice [26, 27]. Recent research, however, highlights significant differences between talent management and HRM. For example, workforce differentiation is seen as a key feature of talent management, and increasingly, the importance of differentiated talent development architecture is highlighted by researchers [24, 26, 65–67]. The tension between identification of talented individuals versus identification of key positions or strategic roles is a major debate in the talent practices area [24, 28, 60]. There is also considerable debate around the balance between organizational and individual focus of talent development strategies [29, 68], and the tension between developing talent internally (making talent) or buying talent from the external market which can differ considerably in different industries and different companies [1, 30, 39, 61, 69, 70].

Having examined some key debates about the concepts of talent management the following section will seek to examine the nature of talent management in the European context and will consider some evidence on the nature of talent management in the European context.

The European Context

Acknowledging the importance of Europe in international trade and increasing role of MNCs in shaping local human resources practices, we identify below some distinctive features of the European context that impacts on approaches to talent management programmes in European MNCs.

First, in Europe MNCs report a long history of internationalization which mainly results from relatively small size of their domestic markets. They not only earn a higher percentage of revenues from their foreign operations, but they also report moving their talents across borders much more often than US MNCs [5]. The internationalization has been greatly stimulated by the emergence of European Union and then intensified by the recent EU enlargement, which decreased the legal and administrative barriers to the movement of goods, services, capital and labour between member states, increasing cross-border trade, financial flows and strengthening the movement of talent across 28 countries. Moreover, the fact that most European locations are within 1–3 h flying time gave incentive to use of alternative forms of international assignments much more frequently than in other parts of the world (e.g. cross-border commuting is originally a European concept). It allowed European MNCs to develop less bureaucratic, more flexible and cost-effective staffing policies [19, 71] which became particularly important due to increasingly turbulent international environment and the recent recession which forced many MNCs to look at ways to cut costs. Therefore, with the growing recognition of the critical role played by international talent management for the success of MNCs, Europe seems to have enjoyed particularly favourable conditions in facilitating the development of talent across borders. One of the major constraint to this assumption is, however, a high degree of localization and autonomy that European MNCs typically allow their subsidiaries in managing employee relations, which regardless of high level of internationalization, might limit the development of effective talent pipelines at the regional or global level and the implementation of globally integrated talent strategies [72].

Second, with increasing economic and social integration across European Union which resulted in unified context for organizations to operate in [73, 74], one would expect that with regard to management practices and HRM systems, we should see a European hybrid management model emerging. Indeed, as Scullion and Brewster [5] pointed out many MNCs increasingly treat European market as a single entity and seek to integrate human resource strategies on the European regional level. However, while market forces and diverse institutional regulations within the EU increase the convergence of HRM practices, deeply seated national differences both on institutional and cultural level still play an important role in local labour markets.

Furthermore, differentiating forces that should be considered in the context of talent management include legislation, states role and ownership patterns that differ Europe from USA where most of the early theory on talent management has emerged [73, 75, 76]. First, European-level legislation and national-level requirements in Europe are much more strict than US legislation and influence the way people are recruited and dismissed, requirements on pay and hours of work, the number of holiday days, the range of management decisions that must be consulted with employees, trade union bargaining power level, etc. Second difference can be observed in the important role of the state in the development of employees' skills and competencies. One example is the increasingly popular in Europe dual system of vocational training which exists in Germany and

Switzerland and to a limited extent in Austria, Denmark, Norway, Luxembourg and the Netherlands. Third difference lies in ownership pattern. In many southern European countries, ownership of even large companies is controlled by single families, in Germany, a small number of substantial banks owns a substantial proportions of companies [76] and in Sweden, shareholders are obligated to be involved in strategic decisions. Such patterns of ownership promote not only longer term approach to firm-financing, but also a close involvement of shareholders in the management decisions which is in contrast to the dominant US short-term approach.

Finally, it is important to consider the major demographic trends that will influence talent management in Europe in the next decade. First, although varied across EU, increasing number of countries face talent shortages with shortages reaching or exceeding the world's average. As a share of the post-war baby-boomers retires with a lack of young employees to fill this gap (due to low birth rates), EU-based firms can face a substantial loss of knowledge and capacity to compete in global markets. A study commissioned by World Economic Forum [88] pointed out that ageing population will have "significant implications for how to manage workforce quantity, quality and costs" and that "demand will be the highest for well-educated professionals, technicians and managers" (p. 7). With recruitment becoming increasingly difficult, the role of talent management will increase, enhancing the attractiveness of internal development and learning, and intensifying efforts to minimize the assets loss and maximize retention of the valuable talent [77]. A second key demographic trend relates to generational differences in the workplace, which is of a high importance in Europe, specially with regard to European-level comparative research. As generational cohorts differ in their behaviour and attitudes in the workplace, they will respond differently to talent management practices. Analysing the influence of psychological contract on talented employees, Festing and Schafer [34] noticed that talent management practices do not influence psychological contract of all talented employees in the same way and that generations' distinct preferences and expectations will shape the relationship between talent management practices and their effects on individual belief regarding employee and employer obligations. For example, Millennials (also called Generation Y) are less loyal and more mobile, and they value learning and self-development opportunities, frequent feedback, high level of empowerment, independence and freedom to make own decisions. Kerslake [78] argues that as Millennials appreciate work–life balance more than other generations, they expect more employment flexibility, and they will devote extra time for something worthy, but only as an exception, not the rule. Baby-boomers, on the other hand, value loyalty and are ready to work long hours as work has been a defining part of both their self-worth and their evaluation of others, and they treat flexibility in a workplace with suspicion as "if the employees are not seen, they cannot be working" [79]. Therefore, a growing TM challenge will be to build talent management programmes around generation-specific career development opportunities, while at the same time to bridge the gap between generations and increase mutual understanding between talents representing different generation cohorts, so they

can work towards common goals and in the future effectively lead generationally distinct employees. Although those trends seem to be similar in other parts of the world, the process of social, political and economic integration that EU has undergone recently resulted in young generation growing up in social identities that are far different from those that shaped the values of their parents and grandparents (which were much more homogenous). Therefore, the generational gaps might be even more prevalent in Europe than in USA and they must be carefully analysed in developing TM frameworks.

Talent Management in the European Context[1]

Although talent management has been a rapidly growing field, surprisingly the research base on talent management in European MNCs is rather limited and until recently there was a dearth of empirical studies in this field. While recognizing the important contributions that European scholars have made to international debates on talent management at a conceptual level, in this section we consider some of recent empirical studies on talent management in the European context.

Recent research in Europe drawing on the psychological contract perspective (based on social exchange theory) has advanced our understanding of the dynamism between talent management and individuals, a key theme in European studies. For example, a recent study of 11 Nordic MNCs by Bjorkman et al. [29] demonstrated that informing talented individuals of their status has a motivational effect on those individuals, supporting the general logic of talent management. Those who perceive that they are identified as talent were more likely to display positive attitudes than those who were not identified as talents. Recent research also highlighted that informing individuals that they are not talents has little negative effect [29]. Sonnenberg et al. [23] study of 21 European MNCs also highlighted the importance of making talent management practices explicit. They also argued that although many organizations favour an inclusive approach to talent identification, in practice they all make distinctions between employees, although often they do not communicate those distinctions to employees. However, they pointed out that talent management practices which lack clear and uniform communication are more open to misinterpretation and negative outcomes. It was also suggested that well-targeted talent management programmes has a significant positive effect on psychological contract fulfilment, which is seen as a good predictor of important talent management outcomes [23]. Hogland [38] in his study of Finnish, Swedish and Norwegian multinationals also adopted the psychological contract perspective on talent management. Hoglund [38] examined both the direct and indirect effects of HRM practices on human capital from a talent management perspective using the psychological contract perspective to assess the employee perceptions on the extent to which organization induces talent and the effect of

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[1] Owing to space restrictions, this review is illustrative rather than exhaustive.

such perceptions on the obligation to develop skills. The study showed that while the direct effect of skill-enhancing HRM practices on human capital turned out to be insignificant, the total indirect effect of skill-enhancing HRM practices on human capital through talent inducements turned out to be significant, highlighting the positive consequences that talent management may have on employees' attitudes and psychological contract obligations. Therefore, in summary, Hoglund's study confirmed that differential treatment of employees based on criteria constituting talent can have positive effects on employee motivation.

A major contribution to the second key stream of research on talent management in Europe which focuses on the talent management process is the recent study by Tansley and Tietze [41] which illustrates how talent progression through successive levels of talent management process can be explained through a series of rites of passage (such as passing professional exams and meeting with top management). They highlight how talent advancement is contingent on the development of appropriate identities and they track the experiences of individual talent in three different talent pools—rising talent, emerging leaders, and next-generation leader in a consulting organization. Their findings suggest that talent advancement is based on the development of technical expertise and the emergence of particular dispositions and work orientations in this context. The study presents an interesting perspective on the dynamism of work identities, which requires a constant readjustment, while individual is going through different rites of passage and their different stages. They suggest that that talent has to develop to be able to quickly connect and disconnect from locations, relationships and work groups to be able progress through the talent pools.

Good insights into how organizations deploy talent management systems in Europe are also provided by the process perspective. Boussebaa and Morgan [36] take an institutionalist approach to explain the deployment of common talent management system across borders and explore how differences between the British and French institutional contexts result in different approaches to TM. Their study highlights tensions which emerge in the utilization of a framework of talent management developed in the UK and France, which resulted in the complete failure to implement a common talent management system. On high-potential identification, UK managers assumed equality of opportunity for all managers based on meritocracy meaning that talent identification and career progress depended on proven performance. In France, however, talent was assessed externally through the *Grandes Ecoles* system, the top tier of the higher education system and potential in France is identified at the point of entry. Graduates of those universities become an elite (cadres) that run French organizations, and it is extremely rare for *non-cadres* to advance to the highest positions in the organization. The study also highlighted a strong British preference for a pragmatic approach in contrast to the French preference towards intellectualism and abstract thinking. This reflected significant cultural differences between France and the UK leading to contrasting approaches to talent development in the two countries. The lack of understanding of the institutional contexts in the different countries was a major reason for the failure to implement common talent management programmes across borders Boussebaa and Morgan [36].

The importance of the institutional context for deployment of talent management practices is also highlighted in the context of German medium-size enterprises [40]. Festing et al. [40] shed a light to highly neglected issue of talent management in SMEs. The study provides a new perspective to the study of TM in Europe and constitutes an important contribution to previous research on TM that focuses mainly on large MNEs with Anglo-Saxon traditions. Festing et al. [40] highlight that talent management in those companies is more inclusive which shows a strong link to the German national education system (promoting equality) and long-term oriented which represents the German national business system orientation. Results of their study provide interesting insight on talent management process, which is highly dependent on the CEO/owner both in the aspect of talent recruitment and development, and which focus heavily on retaining talents through training and development activities accessible to a majority of the employees. Their study also showed differences in the extent to which talent management is pursued among SMEs. Larger SMEs placed much more emphasis on talent management than smaller SMEs and are more active with cooperating with others (universities, other companies) in their talent management activities. Building effective networks and combining resources was a key challenge for SMEs in their attempt to overcome limited resources and staff shortages [40]. Valverde et al. [42] demonstrated that similarly in the Spanish SME context even where there is a little awareness of the term and discourse of TM in the SME sector, TM practices were seen to exist and operate effectively. Indeed their research highlighted a paradox; the companies involved in the study were generally successful in managing their talent, yet the managers did not relate to the concept of TM. There was a tendency for Spanish SME managers to distance themselves from the formalization of the TM concept seeing it as a management fad, while at the same time they appeared to have implemented what could be considered key TM practices. This reflected the business traditions of Latin Europe, with a high degree of informality of HR practices in SMEs [80]. Valverde et al. [42] also highlighted that talents in Spanish medium-sized organizations tended to be seen primarily as loyal, committed, trustworthy and consistent which conflicts with the TM literature which focuses on high potential. A key challenge was to balance the interests and treatments of the talents with that of the team as a whole. The study stresses the importance of the country-specific context of TM and calls for further comparative empirical studies of TM in European countries which would take into account the specific institutional, historical and cultural factors in these countries. The study also highlighted the importance of informal TM practices in the attraction, motivation, development and retention of key staff, specifically the issue of succession. The study also shows that the direct application of TM programmes developed for large organizations is not usually applicable for SMEs and rejects the best practice approach to TM which is still dominant in the literature.

Skuza et al. [15] made an important contribution to our understanding of talent management in Central and Eastern Europe (CEE) through their empirical study of multinationals in Poland. There is a dearth of empirical research on talent management in CEE [81], in spite of the increasing significance of the CEE region

in European economy. Skuza et al. [15] highlight the need for organizations to understand the institutional and cultural context in which they are operating and they identified several key challenges to talent management deployment specific to the CEE region which were summarized in three key areas—talent identification, development and evaluation. In the CEE countries, appointment to talent pools is still largely based on individual technical abilities rather than leadership or personal skills, the latter not being considered important for managerial effectiveness. Also due to the culture of the region, the lack of recognition of individual successes was the norm which often acted as disincentive for individuals to go forward for a talent role. In addition, the continued reliance on personal relations and private networks in management decisions acted as a barrier to effective talent management, and high potentials were often seen as a threat to the position of established senior managers. Further cultural barriers identified by the Skuza et al. [15] study were the unwillingness to include employees in the decision-making process, a low level of innovativeness and willingness to learn, short-termism and lack of transparency in the evaluation process, and these make it difficult to transfer Western talent management practices directly [81]. The issues of talent management in CEE countries have only recently attracted the attention of organizations, and it has been argued that the strategic approach to HRM is still in the infancy stage of development in the CEE region [81].

A number of researchers have focused on the careers of high potentials which can be regarded as a third strand of research on talent management in Europe. Recent research highlighted the career issues both from the perspective of high potentials and their organizations in the Belgian context and provided some important insights on the applicability of boundaryless career theories (in which employees often change employers aspiring freedom and flexibility) and employability in the European context [35]. While the trend towards the boundaryless career is seen as common, Dries and Pepermans [35] argue that this assumption does not fit with the expectations of high potentials, who continue to prefer more traditional career options practices such as upward mobility and low inter-organizational mobility. This approach also fits with organizational efforts to promote talent from within and to invest in the development and retention of high-potential internal talent. Recent research questions the universality of the boundaryless career concept and highlights that while such career imperatives might be salient for some segments of the workforce, they may not for others (i.e. high potentials) [35]. The study suggests that high potentials "are still getting the old deal as they are promised long-term career perspectives and upward advancement" (p. 102). It is also suggested that non-core employees learn more through lateral moves than high potentials, acquiring the employability needed to be attractive for other organizations, while allowing high potentials to move up in the organization. Overall, the study contributes to our understanding of how workforce segmentation might affect organizational career structures—from boundaryless orientation of non-core employees whose employability is a key to progress with inter-organizational career path, to non-boundaryless career opportunities for high potentials and experts.

Stahl and Cerdin [82] also researched career management issues in the European context in their study of French and German expatriates, examining whether there are cultural differences in the nature of the expatriate career concept. The study highlighted that intrinsic motives (such as personal challenge and professional development) were the most important reasons to accept international assignment both for French and German talents. However, for French talents monetary incentives, family consideration and encouragement from spouse/partner were more important, while by contrast personal challenge, career advancement opportunities and anticipated job success were more important for German talents. Their study also confirmed that lack of satisfaction over the handling of repatriation was a major concern for a majority of expatriate talents from both countries. Again the study highlighted a major difference between the French and the German expatriates regarding career outcomes at the end of the international assignment. The French expatriates were primarily interested in their career development in their companies upon return to their home country. In contrast, German expatriates were more inclined to see their international assignment as a an investment which made them more valuable to the external labour market, and half of the German expatriates respondents were willing to leave the company upon return compared to one-third of French. Finally, Stahl and Cerdin [82] work provided support for recent research calling for the integration of global mobility and GTM [4, 49, 83] as their study highlighted the importance for organizations to integrate international assignments into succession and career planning.

Following our discussion of career issues in the talent management debate above, in this section we examine recent empirical research on the role of the corporate HR function in the global context. This highlights how corporate HR roles in GTM and the approach to managing careers and human capital vary depending on the degree of centralization and whether firms operate with an inclusive or an exclusive approach to talent management [3]. A recent study by Sparrow et al. [84] provides an empirical study of a theory—driven framework of corporate human resource roles in GTM. The study developed our knowledge of GTM processes in two key sectors: financial services (European headquartered) and professional services (US headquartered). Both sectors provide highly specialized knowledge that facilitates the operation of global production networks, and the definition of talent is driven by knowledge-based logics. The study provided evidence of four well-defined roles for corporate human resources (CHR) in facilitating successful GTM. The roles are as follows: champion of processes, guardian of culture, manager of local receptivity and the network intelligence and leadership role. However, the study highlighted the importance of the different business contexts and demonstrates how CHR roles in GTM are affected by the approach to international business strategy, the extent of corporate centralization and the overall business context. The two cases showed a clear distinction between inclusive and exclusive approaches to GTM. The professional services firm adopted the former approach and allowed the majority of employees the opportunity to take international assignments, whereas the exclusive approach of the financial services

firm focussed its GTM activities on high performers and high potentials. In the former case, it was suggested that the social capital of individual partners as well as human capital was important as the firm' reputation and trust are as important as technical expertise in generating demand for firm' services in foreign markets [84]. Further research is required to explore how industry and organizational factors interact with institutional and cultural forces in shaping GTM in practice [87].

Recent European research has also focused on the link between talent management and performance, a neglected area. A recent study conducted in 143 UK-owned MNCs examined the association between talent management (specifically management development) and perceived subsidiary performance [37]. The study highlighted that investing in managerial talent has a positive influence on perceived subsidiary performance, but also pointed to the importance of the national context for the final returns. Specifically, the research highlighted that economic environment and the national quality of human capital will impact this relationship, which was confirmed when Czech Republic, Hungary and Poland were considered. Indeed, Poland, achieving the highest scores in both national characteristics, showed the positive and highly significant positive interaction between managerial development and perceived subsidiary performance, while Hungary, achieving the lowest scores, demonstrated also positive, but insignificant interaction between those elements. Therefore, the study provides evidence for the argument that investing in managerial development may yield positive returns even in uncertain and volatile economic environments suggesting that the economic environment and the national quality of human capital are indeed important. Bethke-Langenegger et al. [85] analysed the effect of different types of talent management strategies on organizational and individual-level outcomes among Swiss corporations. Taking a broader approach to talent management outcomes in the European context, they tested four strategies: talent management focused on corporate strategy and corporate goals, talent management focused on succession planning, talent management focused on attracting and retaining talents, and talent management focused on developing talents. First, they found out that talent management practices with a strong focus on corporate strategies and the alignment to overall corporate goals have an important impact on organizational outcomes such as company profit, the achievement of business goals, customer satisfaction, as well as on individual outcome of performance motivation. It is interesting to note that the focus on corporate strategy had much higher impact on corporate profit than any other talent management strategy. The research also highlighted that talent management focused on succession planning also impacted corporate profit, and some individual outcomes such as performance motivation, work quality and trust in leaders. The study also highlighted that talent management strategy was correlated to customer satisfaction and individual outcomes—performance motivation, commitment, work quality and trust in leaders, yet there was no significant effect on company profit. Finally, strategy focused on talent development showed positive correlations with all organizational and individual outcomes, which revealing the significance of focusing on employee development needs and expectations.

Conclusion

While early work in talent management was dominated by North American scholars, more recently talent management has emerged as a key strategic HR issue for many European-based organizations and over the last decade European scholars have increasingly contributed to the emerging conceptual and theoretical foundations of the field. Until recently there was a real dearth of empirical studies in the field, but European empirical studies on talent management have made a major contribution to addressing the question of what does talent management look like in different national contexts and particularly in the specific European context. The European research has highlighted that talent management in Europe is significantly different to that of the US context (while recognizing the large variety within the European region) where much of the research in talent management originated [73, 74]. The European context influences both the scope and pattern of internationalization that is experienced in European MNCs reflecting on the one hand more favourable conditions in Europe to move talent across borders (due to decreased barriers to movement of goods, services, capital and labour between labour states), restricted, however, by a high degree of autonomy that European MNCs typically allow their subsidiaries. Second, it highlights the influence of legislative frameworks on the management of employees, differences in regulations regarding recruitment, dismissal, pay, the relative power of trade unions and collective approaches towards employee management in Europe [73, 76, 86]. Third, the role of the state in the development of employee skills and competencies seems to be more prevalent than in USA [89]. Finally, the nature of the corporate ownership in many European countries differs greatly to other countries such as the USA, implying the use of longer term approach to HR policies and strategies, and therefore also influencing talent management frameworks (see [40]).

European research has explored the interaction between talent practices and the psychological contracts of talents and "non"-talents in organizations [23, 29, 38] and has given greater focus to the individual in debates on talent management. Also European research on talent management has developed our understanding from process and institutionalist perspectives [36, 40, 41]. It also broadens our knowledge on different cultural influences and the impact of region-specific historical background on talent management frameworks [15, 82], which is not only important from European perspective, but also sheds light on different challenges that talent management might face at the international level. Further, European research has also made a significant contribution in broadening the study of talent management to organizations beyond the large MNCs that have dominated much of the research in the field. The growing European work on TM in SMEs reflects the important and growing role that SMEs play in the European economy and the evidence suggests that SMEs face distinctive TM challenges from that facing large MNCs. The research also suggests that SMEs are much more likely to use an inclusive approach to TM than large MNCs who generally favour an exclusive approach [40, 42].

Our review of research on talent management in the European context has high-lighted the growth of a body of empirical work which helps us to better understand the concept and practice of talent management in Europe and provides comparative insights on talent management in different European countries. Our review suggests that given the considerable variety within the European region, future research should explicitly consider to what extent the context of TM matters, and that researchers should pay attention to the impact of the country-specific environment. It also highlights that the MNC versus SME context requires further consideration [40]. More generally, the chapter raises two broad questions for future research: first, What does talent management look like in different national contexts? and second, Is talent management a concept that has resonance beyond its Anglo-Saxon origins?

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Knowledge Flows in MNEs and the Role of HRM

Emilia Ożgo and Chris Brewster

Abstract This chapter examines knowledge flows in MNEs and reviews relevant literature from the last decade to analyse how the field has developed. It specifically focuses on two key constructs from the international business literature—namely knowledge transfer and absorptive capacity—and links them to the HRM literature. It shows that HRM practices aligned with organisational goals related to knowledge assimilation and sharing are important organisational means enabling MNEs to shape employees' abilities, motivation and opportunities and to create a culture of knowledge sharing among their organisational members.

Knowledge Flows Within MNEs and the Role of HRM

Introduction

In turbulent and dynamic business environments, knowledge creation and learning lies at the core of sustainable competitive advantage [1]. Knowledge has been identified as the most important resource in the knowledge-based economy. Multinational enterprises MNEs have the potential to tap into knowledge in a variety of geographic, sociocultural and institutional contexts that, if shared effectively across boundaries, can provide them with knowledge not so easily accessible to their competitors. Indeed, Kogut and Zander [2] argued that an MNC could be viewed as a social community that creates, transfers and integrates knowledge across its different locations. However, in order to create value, knowledge must flow through an organisation. Although this process is prone to many difficulties arising in the internal and external environments, there has been little research on the various organisational mechanisms that can facilitate and help to overcome barriers to effective knowledge flows [3–5].

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Mere exposure to knowledge, on its own, is not enough; the capacity to absorb and utilise knowledge is what changes knowledge into value. This ability, referred to as absorptive capacity [6], has been suggested as the most critical determinant of organisational knowledge flows [3, 7, 8]. Indeed, absorptive capacity has emerged as a useful concept for explaining variance among organisations in their learning and knowledge sharing capabilities [9, 10]. Although there is an ongoing debate on the very nature of this construct [5], scholars agree that insufficient attention has been paid to its organisational antecedents, including HRM practices. So far, however, absorptive capacity has been largely suggested as a by-product of firm's R&D activities, thus leaving the role of various organisational mechanisms neglected. Lewin et al. [11] notes that "with very few exceptions, the specific organisational routines and processes that constitute absorptive capabilities remain a black box".

A greater understanding of knowledge-related phenomena requires a focus on individuals [12, 13]. There is no organisational level of absorptive capacity without individual absorptive capacity [5]. In other words, absorptive capacity, despite being a firm-level construct, "will depend on the absorptive capacities of its individual members" [6]. Firms' ability to create new knowledge and utilise it results from the collective ability of organisational members to learn, create and apply knowledge [14–15]. Thus, it can be said that absorptive capacity has its foundation rooted in individuals' cognition, motivation and actions. Puzzlingly, however, despite acknowledging a critical role of individuals in knowledge creation and utilisation, they have been largely absent in discussions of absorptive capacity [5, 16].

One of the primary means by which organisations can influence the abilities and behaviours of individuals is through its HRM system [17–21]. Building on that assumption, it can be expected that HRM practices play an important role in developing individual and organisational absorptive capacities [5, 6, 22]. Essentially, all HRM processes and practices, such as recruitment, training, job design, performance feedback, career development, and the like, are fundamental aspects facilitating learning, building and developing knowledge stocks as well as facilitating knowledge flows [23]. However, applying knowledge-based perspectives in the HRM field is still in its infancy. Most research still does not explicitly consider the HRM role in influencing knowledge processes.

Following the recent calls to consider HRM when exploring more in-depth absorptive capacity and knowledge flows [5, 24–26], we examine systematically how HRM practices aimed at supporting knowledge-intensive work influence knowledge flows in organisation through their impact on absorptive capacity. We explicate further the concept of absorptive capacity for knowledge flows in organisation by considering the role of employee abilities, motivation and opportunities. Secondly, we examine the impact of HRM systems aimed at enhancing employees' abilities, motivation and opportunities to identify practices that facilitate development of absorptive capacity and thus knowledge flows. Figure 1 shows our conceptual framework.
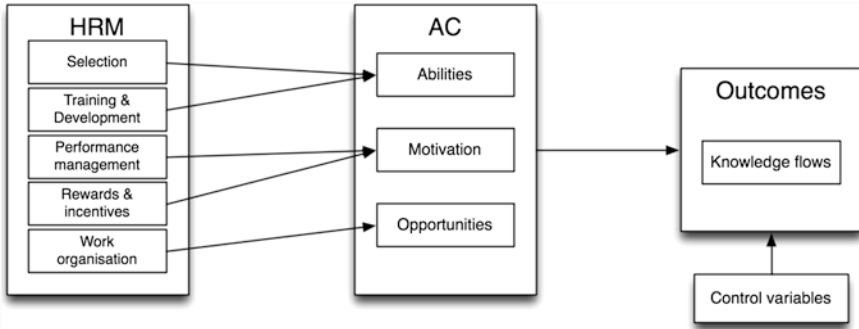
Fig. 1 Proposed conceptual framework

Following this brief introduction, we successively review the most significant literature on knowledge flows in MNEs and its determinants. This chapter focuses on the facilitating role of human resource management practices in knowledge flows in multinational enterprises. We review the literature that identifies specific HRM practices that enhance employees' abilities, motivation and opportunities for knowledge assimilation and sharing, viewed here as individual-level antecedents of absorptive capacity that result in improved organisational knowledge flows.

Knowledge Flows in MNCs and Its Determinants

In the era of the knowledge economy, organisational knowledge is a dominant source of sustainable competitive advantage. Compared to domestic firms, MNEs have the unique advantage of utilising knowledge generated in various national locations. However, benefiting from this possibility is determined by their ability to transfer knowledge between dispersed organisational units. Not surprisingly, then, the issue of transferring valuable knowledge from one part of the organisation to another has been and remains an important area of enquiry in a number of different management different fields [27].

Knowledge transfer refers to a process through which organisations, units, teams or individuals exchange and are influenced by the experience and knowledge of others [1, 3]. Knowledge transfer is a complex process because (1) knowledge resides in organisational members, tools and tasks, and (2) much knowledge in organisations is tacit or hard to articulate. Argote and Ingram [1] It involves several stages starting from identifying the knowledge, actual process of transferring knowledge and its final utilisation by receiving unit [8]. Fundamental issue in knowledge transfer is the extent to which the receiving unit acquires potentially

useful knowledge that can be efficiently utilised [39]. Transfer of organisational knowledge (i.e. routine or best practices) can be observed through changes in the knowledge or performance of recipient units [7]. Knowledge transfer is not a random process; organisations institute diverse mechanisms to facilitate the transfer such as personnel movement [28, 29] or technology [30]. Various factors can affect knowledge flows in organisations. Prior literature has categorised the determinants of knowledge flows into characteristics of knowledge, characteristics of the actors involved and characteristics of the relationship between sender and recipient [25].

Knowledge characteristics. A considerable amount of research has focused on the content and various attributes of knowledge being transferred as an important predictor of knowledge transfer. The tacit/explicit knowledge continuum has been studied most extensively [2, 31]. At the one end of continuum is the tacit knowledge, embedded in values, actions, practices and behaviour, therefore often complex, ambiguous and subjective and on the other, the explicit knowledge, which is more easily codified and recorded [31]. Knowledge ambiguity, which refers to inherent uncertainty of knowledge components and sources, is another important antecedent of knowledge transfer [32, 33]. While the knowledge tacitness, ambiguity, specificity and complexity contributes to protecting it from being easily imitated by competitors, at the same time, it constitutes a barrier to efficient knowledge transfer within organisations [8, 34].

Actors' characteristics. Age, size, structure, autonomy, capabilities and motivation are among some of the actor characteristics studied in the literature. There are mixed and inconclusive findings with, e.g. a recent extensive meta-analysis showing lack of influence of age and decentralization on organisational knowledge transfer [3]. Out of a potential variety of recipient capabilities, absorptive capacity has emerged as the most critical determinant of knowledge transfer [3, 7, 35]. Absorptive capacity refers to the ability to recognise, assimilate and apply new external knowledge, and it significantly increases the amount of knowledge learned across units within firms [6, 16, 36]. Lack of ability to absorb knowledge is shown to be a major impediment to internal knowledge transfers [29]. The role of absorptive capacity will be discussed in greater length below.

Network characteristics. Various attributes of relations between actors have been found to play a crucial role in facilitating knowledge exchange. The literature examined three main dimensions of network relations: structural (number of relations, position in network), relational (tie strength, trust, norms, expectations, commitment, identification with other actors) and cognitive (shared vision and systems, distance) [3, 33]. Out of this group of characteristics, trust has been shown to be the most significant for knowledge transfer. Trust reflects the belief that a partner will fulfil their obligations in the relationship [37] and increases willingness to help other actors in understanding new external knowledge [9]. Attributes promoting common ground among actors such as shared vision and similar values make it easier for the receiving unit to understand and evaluate the potential advantages stemming from the adoption of certain practices [15]. On the other hand, there has been mixed evidence in relation to the differences between actors stemming from cultural or institutional factors. Some argued that distance

may hinder knowledge transfer due to difficulties emerging from lack of understanding of norms and values [10, 33], whereas others have demonstrated that that it may have a positive impact on knowledge transfer [38].

Absorptive Capacity as a Key Determinant of Knowledge Flows

In the seminal work by Cohen and Levinthal [6], absorptive capacity was viewed as the "ability of the firm to recognise the value of new external information, assimilate it and apply it to commercial ends". Authors argued that this ability has strong path dependency on firm's prior knowledge and investment in R&D. The concept was further developed by Zahra and George [36], who defined it as a set of dynamic capabilities that underline the processes identified by Cohen and Levinthal. In addition, Zahra and George put forward the notion of potential and realised absorptive capacity based on the argument that knowledge first needs to be acquired and assimilated before it can be transformed and exploited. Lane and colleagues [48], on the other hand, have suggested a process approach to absorptive capacity and define it as revolving around three sequential learning processes: (1) exploratory learning for recognising and understanding potentially valuable knowledge, (2) transformative learning for assimilating knowledge, and (3) exploitative learning for using assimilated knowledge to create new knowledge and commercial outputs.

However, firms' ability to create new knowledge and utilise it results from the collective ability of organisational members to create, learn, share and apply knowledge [2, 14, 15]. In other words, absorptive capacity, despite being a firm-level construct, "will depend on the absorptive capacities of its individual members" [6]. Nevertheless, despite general agreement on the critical role of individuals in knowledge processes, they have been largely absent in discussions of absorptive capacity [5, 37]. It has been argued that a greater understanding of knowledge-related phenomena requires a focus on individuals as foundations of absorptive capacity. This should be rooted in individuals' cognition, motivation and actions [13, 12]. A step towards bringing the neglected role of individuals in knowledge absorption and utilisation has been taken by Minbaeva and her colleagues [39]. Building on behavioural literature, these authors put forward the notion that ability itself is insufficient and needs to be complemented by motivation for the knowledge absorption to take place. In fact, they argued that without motivation even high abilities to absorb knowledge might have a limited effect.

Abilities, motivation and opportunity have been recognised as the building blocks of any action [40–41]. Ability refers to the knowledge, skills and experience needed to perform a task. Motivation refers to the willingness of a person to exert efforts to perform the task. Opportunity consists of the range of resources appropriate to the context that enables the individual to take action [40]. According to the behavioural perspective, to achieve any kind of high

performance, the ability, motivation and opportunity need to be present and their combination will ultimately determine any behaviour [41]. To illustrate, if ability is low, but motivation and opportunity are high, the individual may take action, but likely wrong or inappropriate action; if ability and motivation are high, but opportunity is low, the individual may take action, but it will be limited and ineffective; if motivation is low, the individual will be unlikely to take action even if they have strong abilities and opportunities to do so. If one of the constituents is missing, then the performance is impaired or even impossible.

Research on knowledge processes in organisations recognises the role of abilities, motivation and opportunities as important for explaining the creation and transfer of knowledge [42]. "Just as successful individual performance depends on an individual's ability, motivation and opportunities to perform, successful knowledge management also depends on ability, motivation and opportunity" [43]. The contentious issue is, however, whether KSA's, motivation and opportunities should be treated as integral parts of absorptive capacity or rather as separate constructs. This debate is again bedevilled by the confusion of individual and organisational capacities. Some authors have challenged the idea of motivation as a constituent of firm absorptive capacity [26]. Others have treated motivation and communication channels, which can be linked to opportunities, as separate constructs [7]. Nevertheless, Minbaeva et al. [13] state that "although individual absorptive capacity should mirror its organisational concept to some extent, certain aspects must focus distinctly on individual factors". In a similar vein, it could be argued that when examining the distinctly individual factors [6], the micro-foundations of absorptive capacity, ability, motivation and opportunity cannot be disentangled as they are inextricably linked and synergistically reinforce each other. Therefore, for effective knowledge absorption, employees need to have the abilities, but also the right motivation and opportunities to assimilate and share knowledge. Subsequently, employees' abilities, motivation and opportunities for knowledge assimilation and sharing will enhance organisational knowledge flows, whereas low employee ability, motivation or opportunities for knowledge absorption may constitute barriers to effective knowledge transfer.

In the following part, we review the literature that identifies specific HRM practices that enhance employees' abilities, motivation and opportunities for knowledge assimilation and sharing viewed here as individual-level antecedents of absorptive capacity that result in improved organisational knowledge flows.

The Role of HRM in Fostering Organisational Knowledge Flows

An influential strand in the strategic human resource management research has demonstrated that managerial practices can drive various organisational outcomes such as financial performance [44–49] as well as employee-related outcomes such as skills, motivation, attitudes and behaviours [17–21]. It is argued that aligning HRM systems with organisational strategy can elicit employee behaviours that

will contribute to the achievement of organisational objectives [50]. For example, it has been found that HRM system that promoted a safety climate reduced injury incidences [51]; HRM systems that encouraged service quality were associated with greater service performance [52]; and HRM systems aimed at facilitating knowledge-intensive teamwork increased knowledge assimilation and sharing among teams [53]. Thus, HRM systems, by influencing employee-related attributes in a desired direction, have a potential to contribute positively to the attainment of strategic organisational outcomes.

Supporting organisational learning and other knowledge processes has been identified as a key strategic tasks facing HRM [54, 55]. Recent studies have confirmed a positive impact of HRM systems on knowledge sharing, knowledge management or organisational ambidexterity [56–58]. Managerial systems have also been suggested as mechanisms through which organisations can facilitate development of absorptive capacities [22, 39]. This suggestion, despite its potential to shed light on the mechanisms enhancing organisational knowledge flows, has not been taken much further in the literature [5]. Therefore, more work is needed to uncover the underlying mechanisms by which HRM practices influence the development of knowledge [23].

Minbaeva et al. [13] pointed out that our understanding of how HRM affects organisational outcomes, including absorptive capacity and knowledge flows, should be rooted in understanding how such practices influence employees' ability, motivation and opportunity. Similar point made Kelloway and Barling [42] who suggest that organisations should focus how to manage owners of knowledge rather than managing knowledge and will be successful in that to the extent they increase employees' abilities, motivation and opportunities. Indeed, it had previously been shown that enhancing employees' motivation and abilities through extensive use of HRM practices such as training, performance assessment, merit-based promotion, performance-based compensation and internal communication has a positive impact on organisational knowledge flows [39]. However, Song [26] argued that although various general HRM practices may enhance overall employee' abilities and motivation, they rarely relate directly to intra-organisational knowledge transfer, further implying that scholars should examine HRM practices specifically designed to facilitate knowledge activities.

A promising framework for advancing our understanding of specific HRM systems that support knowledge processes in organisation is offered by Chuang et al. [53]. These authors demonstrated that the HRM systems strategically aimed at eliciting knowledge assimilation and sharing, which are discretionary behaviours, have the potential to develop a range of skills needed to acquire and utilise new knowledge. Further, by providing adequate incentives and inducements, strategically aligned HRM practices can bring into line employee goals with organisational goals related to knowledge sharing and thus reduce the power of power forces and overcome the natural tendencies of individuals to hoard knowledge. Then, HRM practices can also create a context that gives employees the opportunities for better knowledge assimilation and sharing [53]. In the following part, we examine in greater detail HRM practices that affect employees' abilities, motivation and opportunities to absorb and share knowledge.

Ability Enhancing HRM: Selection, Training and Development

The primary objective of staffing is the acquisition of needed skills, whereas training is aimed at the continuous development of collective knowledge and ability levels. In order to ensure that employees have the knowledge, skills and abilities needed to perform knowledge-intensive work, careful selection procedures, in addition to evaluating professional knowledge, need to evaluate attributes that have been found to be critical for learning or knowledge sharing as many of individual characteristics are not easy moulded by HRM practices [59]. Also, selection criteria that identify whether individuals share organisational values are important. Since much organisational learning takes place in the context of social interaction, verifying abilities such as teamwork have been recognised to be critical [58]. The teamwork skills, in tandem with interpersonal abilities, increase the likelihood that person will be able to tap into the knowledge of other organisational members. Further, in the dynamic and uncertain environments, typical for knowledge-intensive industries, adaptation skills that enable individuals to respond effectively to constant changes are important for continuous learning and thus need to be tested in the selection process [58].

Effective selection practices combined with well-designed training enable a continuous upgrading of employees' skills that foster knowledge absorption and utilisation [63]. Traditional training that delivers ready-to-use knowledge or develops very narrow set of skills again may not be sufficient. Rather, training practices that improve wider abilities to respond to a dynamic environment as well as promote learning from others may be better suited for supporting knowledge processes [53]. So training that helps build strong relationships among employees, enhances internalisation of organisational values, norms and shared cognitive schemas, will promote further knowledge assimilation and sharing [58, 60].

Motivation Enhancing HRM: Performance Management and Reward Systems

Acquiring and developing employees' skills for knowledge assimilation and sharing is one thing, but directing those skills towards the achievement of organisational goals related to knowledge outcomes is equally important. It has been argued that compensation and performance assessment are the primary means of directing and encouraging employees' actions towards organisational objectives [61]. Systems linking pay and incentive plans to performance communicate desired behaviours and thus may facilitate attainment of knowledge goals [62, 63]. Incentive systems based on group and organisational performance may help to align individuals' objectives with team goals, thus fostering the sense of common purpose and cooperation that is essential for learning and knowledge sharing [64].

In contrast, rewards linked solely to individual performance may elicit competition among employees, and employees operating on the theory that "knowledge is power" may become disinclined to share knowledge. Still, there are contradictory findings in relation to rewarding knowledge sharing. Some argued that when learning and sharing of new ideas are rewarded, it may facilitate knowledge flows through organisation [53, 65], whereas others suggest that rewarding intrinsically motivated discretionary behaviours including knowledge sharing rather has the opposite effect [66].

Performance assessment also provides an opportunity to communicate to employees the organisation's vision and give feedback in relation to their behaviours. Performance assessment that makes employees accountable for building relations with others in order to obtain information and knowledge, for creating open and safe climate in their team will likely foster knowledge transfer [53, 56, 59]. It has been demonstrated that performance appraisals that have a developmental rather than a solely performance focus can increase learning motivation [58].

Opportunity Enhancing HRM: Work Organisation

Another critical issue is creating a context where employees with the needed skills and motivation can engage in learning and other knowledge processes. Acquiring and sharing knowledge are not solitary, but social activities [15, 31], so designing work that provides opportunities for frequent interactions and collaboration encourages learning and has the potential to increase knowledge flows. For example, job rotation and cross-functional interfaces give opportunities to connect with others as well as exposure to new knowledge and tasks. It helps individuals to refine their current knowledge, broaden their expertise and develop multiple perspectives when solving problems, thus enhancing employees' abilities in assimilating diverse knowledge [67]. Designing jobs to foster social integration through use of cross-functional project teams mediates the relationship between perceived organisational commitment to knowledge sharing and actual knowledge exchange [68]. Other mechanisms such as international assignments, knowledge-exchange events and communities of practice create opportunities for learning and knowledge sharing among employees [28, 53]. Even social events that encourage contact and relationship building among individuals develop social capital, facilitating knowledge flows [56].

HRM and Outcomes

Although some HRM practices may exert a direct influence on employees' ability, motivation or opportunity to assimilate and share knowledge, the effects may be more complex. Since it is difficult to isolate the effect of single practices in the

HRM system on various outcomes, the majority of HRM research has examined the impact of the whole system. The underlying assumption is that internally consistent and mutually reinforcing bundles of HRM practices will have a stronger effect than individual practices [69]. However, using a single index, additive approach to HRM system assumes that all elements are equivalent, interchangeable and have the same effect on studied outcomes [50]. This assumption has been recently challenged. Some scholars have pointed that different sets of HRM practices may impact the same outcome in a heterogeneous way [70, 61].

Further, the majority of HRM studies have assumed a positive complementarity in the system of HRM practices [61]. However, it is possible that some managerial practices when applied simultaneously may reduce the effect of others—i.e. have so-called crowding out effects. For instance, practices targeted at increasing the extrinsic motivation may have a negative effect on the intrinsic motivation [71] or practices designed to enhance opportunities for engaging in knowledge sharing, such as job rotation, may decrease motivation [13]. Therefore, in addition to examining the combined effect of the whole system, it is important to consider the distinct effects of the various components of HRM system on studied outcomes [70].

Another fundamental issue in the relation to HRM practices and knowledge-related outcomes is the role of context. The impact of HRM on abilities, motivation and opportunities of the individuals involved in knowledge assimilation and sharing will be moderated by context. HRM scholars have repeatedly underscored the importance of taking context into account in the research as findings from one context may not hold true in another [72–76]. Despite the importance of contextual boundary conditions and contingencies impacting effectiveness of HRM practices designed to achieve organisational goals, HRM issues have been largely unexplored in most underdeveloped, emerging or transitioning economies [77]. Thus, the challenges that MNCs face related to managing people in such countries are not well understood [78]. Empirical evidence demonstrates that cultural and institutional differences between countries result in different HRM practices being more effective in different contexts [79, 80]. Since not all practices have the same effect in all environments, it might be expected that the link between HRM practice and absorptive capacity and knowledge flow likewise will be idiosyncratically influenced by various contextual factors. Because of the rising significance of developing and transitioning economies, with for the first time ever in 2012 higher proportion of FDI, i.e. 60 % going to these countries [81], the role of context deserves careful consideration.

Summary and Conclusions

The primary reason for the very existence of MNCs, according to the knowledge-based view of the firm, is that they are better mechanism for sharing and transferring knowledge than external markets [7, 2]. MNCs, despite having the possibility of tapping into diverse knowledge, vary greatly in the extent to which they

utilise this opportunity. A significant part of variation in knowledge process can be ascribed to variation in employed HRM practices [23].

Although HRM systems are inextricably linked to knowledge processes, certain strategic outcomes such as knowledge transfer, organisational learning, innovation or development of dynamic capabilities have been rather neglected in the examination of the relationship between HRM and outcomes [22]. Further research into how absorptive capacities are linked to HRM will enhance our understanding of how HRM can contribute to various strategic outcomes. We have attempted to contribute to the discussion on organisational antecedents of absorptive capacity by exploring the facilitating role of HRM practices.

Another important issue is the role of context in the link between HRM practices and knowledge-related outcomes. This is a call not just for more research into the less-explored countries beyond the WEIRD ones—the western, educated, industrialised, rich and democratic countries [82]—in HRM and in knowledge transfer, though both are needed, but also for research that explores the two and compares the way that the relationship operates between contexts.

Our model and our discussion suggest a series of research propositions that could usefully be explored in further research:

- Proposition: *The interaction between employees' abilities, motivation and opportunities for knowledge assimilation and sharing will be positively related to organizational knowledge flows.*
- Proposition: *There will be a positive link between the use of HRM system promoting knowledge-intensive work and employees' abilities, motivation and opportunities for knowledge acquisition and sharing.*
- Proposition: *The relation between HRM system and absorptive capacity will be moderated by contextual factors.*
- Proposition*: Selection and training aimed at enhancing knowledge-intensive work will be positively related to employees' abilities for knowledge acquisition and sharing.*
- Proposition: *The performance management and rewards system aimed at enhancing knowledge-intensive work will be positively related to employees' motivation to acquire and share knowledge.*
- Proposition: *The work organisation practices aimed at enhancing knowledge-intensive work will be positively linked to employees' opportunities to acquire and share knowledge.*
- Proposition: *Selection and training aimed at enhancing knowledge-intensive work will be positively related to employees' motivation for knowledge acquisition and sharing.*
- Proposition: *Selection and training aimed at enhancing knowledge-intensive work will be positively related to employees' opportunities for knowledge acquisition and sharing.*
- Proposition: *The performance management and rewards system aimed at enhancing knowledge-intensive work will be positively related to employees' abilities to acquire and share knowledge.*

- Proposition: *The performance management and rewards system aimed at enhancing knowledge-intensive work will be positively related to employees' opportunity to acquire and share knowledge.*
- Proposition: *The work organisation practices aimed at enhancing knowledge-intensive work will be positively linked to employees' abilities to acquire and share knowledge.*
- Proposition: *The work organisation practices aimed at enhancing knowledge-intensive work will be positively linked to employees' motivation to acquire and share knowledge.*

Our aim in this study was to contribute to a better understanding of absorptive capacity and knowledge flows by examining less studied organisational antecedents of these phenomena. When managerial practices are designed with a specific goal to enhance employee' abilities, motivation and opportunities for knowledge absorption and utilisation they potentially enhance intra-organisational knowledge flows.

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Developing Strategic International Human Resource Capabilities in Sub-Saharan Africa

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Abstract Within the context of the global business environment, strategic international human resource (HR) capabilities have become paramount. The chapter attempts to capture empirical and conceptual scholarly work on international strategic management with contextual focus on sub-Saharan Africa (SSA). Africa's complex multilayered culture with varied historical backgrounds has influenced the creation of complex and challenging cultural and institutional business environment. While HRM capabilities are needed to ensure that firms understand and manage the performance of African employees, it is increasingly becoming necessary that the capability to identify and develop talent must encompass developing talent with local and global technical, managerial and leadership skills.

Introduction

Liberalisation, deregulation, globalisation and technological developments have made the global business environment more fluid in terms of changes, innovations, new product developments, emerging markets opportunities, challenges and competitive pressures [1–3]. Technology has connected the world, increased accessibility, visibility and transparency, and business activities have become international and global [4, 5]. Employees are increasingly from diverse backgrounds, with constantly changing expectations as they gain more experience,

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skills and education. Both HRM researchers and practitioners have increasingly recognised the need to explore and understand how to manage people in different parts of the world [6].

In many contexts, organisations' competitive emphasis have morphed from market oriented to being more resourced oriented [7]. This is based on the erosion of the mindset that competitive advantage in these contexts is gained and sustained primarily from state ownership and support, or entry into key geographical or product markets. The eroding of regulatory protection from both domestic and foreign competition has forced firms to reorient their competitive strategies to developing key organisational resources and capabilities.

As a result, organisations now find themselves under heightened pressure to tap into their internal resources and align them effectively with the dynamics within the external environment in order to make sense of the driving forces and trends and strategically adapt to ensure survival and achieve competitive advantage [8]. Moreover, internal complexity of an organisation has to mirror its external environment through innovation and coordination of resources [9]. This is in line with the resource-based view, and recognition among strategic management researchers and practitioners that sustained competitive advantage emanates more from a firm's bundle of tangible and intangible internal resources [10–12].

Scholars of strategic HR management view people as one of the vital internal resources that can contribute to a firm's competitive advantage [13]. The established view in this body of scholarship is that people constitute the most important asset of a firm. The effective deployment HR can offer firms a distinctive and non-imitable competitive advantage [14–16]. Arguably, while technology, plant and equipment are some of the strategic organisational resources, the human resource (HR) enables organisations to combine these resources effectively and add value in their productive process. An increasing body of scholarly work on strategic HR management predominantly underscores this view. Moreover, these studies examine the conditions under which HR systems or practices would generate a sustained competitive advantage [17, 18].

Drawing on the resource-based view, the human capital theory and the resource capability theory, these studies suggest deploying strategic HR can effectively lead to competitive advantage [19–21]. For instance, Lado and Wilson [17] provided a conceptual framework with propositions of how HR systems can facilitate the development and destruction of organisational competencies. Furthermore, the potential of an HR system to facilitate or inhibit the development and utilisation of organisational capabilities has also been examined and acknowledged [7, 17]. The findings in these studies have to a degree entrenched in management theory and practice that HR is a source for developing capabilities and sustainable competitive advantage [2].

Notwithstanding, there is ambiguity as to how HR is different from capabilities and what kind of organisational capabilities are developed from the deployment of HR. This leaves us less knowledgeable as to what human resource capabilities are and exactly how they contribute to a firm's competitive advantage. Secondly, the complexity of the international business environment requires firms to develop

unique, rare, un-substitutable and inimitable capabilities as solutions to enable them gain and maintain competitive advantage. Yet, studies on firms' international human resources as strategic within the context of international activities of the firm are comparatively low with predominance of these studies based on developed and Western countries and cultures [21].

In this chapter, we seek to capture and bring together empirical and conceptual scholarly work on the types of organisational capabilities that can be developed mainly from the deployment of human resources both in the national and international business environment. Furthermore, we discuss the potential moderating effects of the HR systems and practices on the deployment of firm's HR in the development of organisational capabilities. In other words, the study maps out those capabilities that are largely dependent on firms' human resources in domestic and in the international environments. Admittedly, HR is not the only organisational resource that can facilitate the development of organisational capabilities, but focusing on only the HR-related capabilities will refine our understanding of how HR should be deployed and how it contributes to gaining and sustaining competitive advantage.

Empirical excerpts on this issue are taken form organisations in the sub-Sahara African context. Africa is a multicultural, multilingual, multiethnic and multiregional in nature with multihistorical experiences in many of its countries. The continent's diversity spans its 56 countries in terms of geographical, cultural, historical, economic and sociopolitical contexts. It is home to indigenous Africans, Arabs, Indians and all nationalities in the world from the east, west, central and the south and has over 2,000 languages and ethnic groups [13, 22]. Thus, the continent's diversity reflects its colonisation legacy; the level of social, political and economic development; the state of institutions; the cultural and ethnic groupings; and religious affiliations [13].

The continent therefore exemplifies the global business environment in terms of the vast and widespread diversity. This diversity poses a complex challenge to firms as to how to effectively deploy their diverse HR strategically across different cultural and regulatory environments in order to gain and sustain competitive advantage. Moreover, the diversity and complexity impact the kind of HR practices employed by organisations. Existing literature has not improved our understanding adequately on perspectives that relate to HR capabilities in sub-Saharan Africa (SSA). Using the views of managers in a number of organisations operating in Africa, we present some of the HR capabilities developed in these organisations from the deployment of their HR.

Human Resource Capabilities

The main tenet of the resource-based view is that organisations' internal resources and capabilities constitute the driving determinants of a firm's strategy and competitive success [12, 23]. However, the question not always clearly answered is

what these resources and capabilities are. Some scholars have referred to resources as the tangible and intangible stock of factors available, owned and controlled by the firm [24]. Grant [11] also suggests that resources include all those inputs an organisation uses in its production process. Amit and Schoemaker [24], p. 35, further point out that 'Resources are converted into final products or services by using a wide range of the firm's other assets and bonding mechanisms, such as technology, management information systems, incentive systems, trust between management and labour and so on'. Barney [10] thus categorised these resources into physical, human and organisational resources. This categorisation reinforces the centrality of people in organisations as a source of competitive success.

Kamoche [20] therefore clarifies that the HR element includes the accumulated stock of knowledge, skills and abilities that individuals possess within the organisation which the firm has built up over time into an identifiable expertise. In this paper, we define HR in line with other scholars as the pool of human capital under the firm's control in a direct employment relationship which confers uniqueness on each firm in their effort to gain and sustain competitive advantage [18, 20].

Scholars in this area acknowledge that the HR satisfies the four conditions necessary to achieve sustainable competitive advantage [19, 25]. Specifically, HR meets the criteria of a valuable, rare, inimitable and non-substitutable resource and thus constitutes a source of competitive advantage [18]. The traditional sources of competitive advantage, such as natural resources, technology and economies of scale, are increasingly easy to imitate in the contemporary business environment although they still create value [7]. Furthermore, Khatri [26] argues that competitors can easily duplicate competitive advantage obtained through better technology and products, but acknowledged the difficulty of a firm's ability to duplicate competitive advantage gained through better management of people.

The difficulty of replicating people's knowledge, abilities, experience and behaviour, coupled with the high transaction cost of people acquisition or mobility, contributes to the inimitability of HR [7]. Also, personnel who are able to create value in one company may not be able to strategically adapt and create value in others [18]. Moreover, the heterogeneity in the labour market makes it difficult to find highly motivated and guaranteed high-level performance people in all organisations, underscoring the view that HR is rare.

Notwithstanding, some strategic HR scholars use the terms (resources and capabilities) interchangeably [27, 28]. Ray et al. [29] for instance referred to both resources and capabilities as the tangible and intangible assets of firms employed to develop and implement their strategies. Some labelled resources and capabilities together as distinctive competence [30], firm-specific competencies [31] and core competence [28]. However, Amit and Schoemaker [24] distinguished between the two by suggesting that capabilities include the ability of a firm to effectively deploy its resources, while Grant [11] simply refers to capabilities as

what the firm can do with the resources. Capabilities may also arise from a firm's network ties with its internal and external stakeholders such as employees, suppliers and customers.

From the forgoing, it can be gleaned that HR capabilities are classified as processes, practices, systems, and outcomes of the processes and systems. The HR capability-based view is thus seen to be concerned with actions, processes and related behavioural efforts to attain a competitive advantage [20]. These capabilities are firm-specific tangible or intangible information-based processes, practices or systems that are developed over time through complex interactions among the firm's resources and exchanging of information within its human capital [24]. Saá-Pérez and García-Falcón [7] further emphasise that capabilities are developed from the deployment of human resources and capabilities. Kamoche [20] also reveals that HR capabilities are difficult to identify but depend on the firm's capacity to secure, nurture, retain and deploy human resources through HR practices and policies.

Two studies pointed out four main specific organisational capabilitiescapabilities that firms can develop from the deployment of their human and other tangible and intangible resources. These include managerial capabilities, input-based capabilities, transformational capabilities and output-based capabilities [7, 17]. Accordingly, the managerial capabilities refer to the degree of commitment and involvement of the HR, and the relevance of HR issues in strategic decision-making in the organisation [17]. Debrah and Ofori [2] emphasised that making effective use of human capital in the form of managerial capabilitiescapabilities is crucial in a competitive environment. The input-based capabilities include training, incentives and motivation of firm-specific human capital, while encouraging creative and innovative ability in the employees constitutes the transformational capabilities [7].

Finally, good corporate image and strong relationship with relevant stakeholders such as clients, customers, suppliers and public institutions constitute the output-based capabilitiescapabilities [7, 17]. Views from managers in organisations in SSA further reveal that the deployment of human resources also contributes to the development of capabilities in functional areas of an organisation. See Fig. 1.
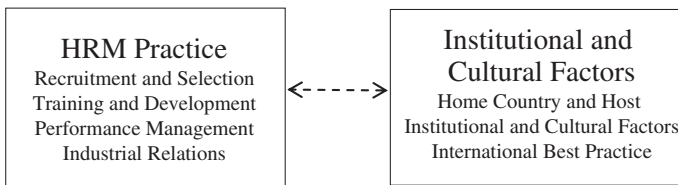

Fig. 1 HRM practice and institutional and cultural factors

International HR Capabilities

The organisation life cycle (OLC) approach suggests that global firms usually go through four main stages: domestic, international, multinational and global [32]. At each stage, competition increases and requires specific capabilities to succeed. Moreover, as the firm moves from one stage to the next, the complexity increases requiring enhanced strategic capabilities to withstand the competitive pressures. Arguably, different HR capabilities may be required at each stage. Developing HR capabilities in international or global companies to address some of the complex issues in the diverse global business context is however a challenge [1, 33]. The international human resource management (IHRM) strategy has to be matched with the prevailing international business imperatives as defined by the product market realities, cultural and institutional requirements and diversity issue.

Notwithstanding the IHRM, scholarship focuses mainly on expatriates career management and the complexities of managing across borders [21]. The scope for assessing and capturing the strategic value and capabilities developed from the deployment of diverse HR has not been adequately discussed in the literature. However, one of the most critical HR capabilities for multinational or global companies is the development of global leadership skills. Global leaders, defined as executives who are in jobs with some international scope [34], need to develop and implement strategic goals that create sustainable value while responding to key stakeholders [7].

The challenge for managers in the twenty-first century demands the overriding requirement that they are capable of leading and operating in an increasingly complex, interdependent and dynamic global business environment. The role necessitates leadership skills that allow managers to analyse each business environment critically to develop and implement appropriate strategies and operating styles [35]. Viceri and Fulmer [36] contend that strategic leadership development is a critical ingredient required for the strengthening of organisation's strategic competitive position. Caligiuri [8] further underscores that successful global leaders are a source of competitive advantage. The effectiveness of multinational enterprises (MNEs) depends on the development of cross-cultural competences [35, 37]. Contingency theories of leadership also argue that effective leadership is context-specific [38, 39]. In the next section, we examine global leadership in the context of SSA and challenges of developing this HR capability.

Culture and Institutional Influences on Global Leadership

Jackson [40] observed that within the context of international management and organisation studies, particularly within developing regions such as SSA, there is the need to clarify what is considered 'cultural' and 'institutional'. Institutional theory suggests that institutions consist of formal and informal constraints. The formal constraints include laws, contracts and constitutions, while the informal constraints include certain behaviours, norms, conventions and self-imposed codes of conduct.

Arguably, the informal constraints are 'cultural' [41] in nature and these vary across geographical locations. Nyuur et al. [41] also note that no single African culture exists and subcultures within individual countries compound the complexities which affect the ease of doing business. These constraints and their enforcement characteristics regulate economic activities [42, 43]. Consequently, institutions are fundamental in the political, legal and sociocultural environment and determine levels of transparency and corruption. Institutions establish the rules of engagement in the economic and operational activities of firms [42]. Institutions can therefore be capable of easing and/or restraining the performance of firms [44, 45].

This understanding of the institutional framework agrees with Sorge [46] who believes that the 'culturist' and 'institutionalists' approaches should be complementary in international management. In the global context, therefore, global leaders must develop the skills that enable them to deal with local as well as global cultural and institutional dimensions in response to the increasingly diverse and complex business environment. The need to incorporate varying business practices and expectations of multiple and yet unique stakeholders, with particular emphasis on local managers, in strategy formulation and implementation, is crucial for success. In the African context, prevalent institutional voids and inefficiencies as well as multilayered cultural differences present operational challenges to business organisations [41]. Debrah [47] underscores that cultural practices influence HRM issues and that HR is expected to fashion out what best practices in areas such as recruitment and selection, promotion, punctuality compensation and diversity management. In addition, HR planning, training and development, performance appraisal and industrial relations would help achieve strategic goals. These HR functions are affected by the institutional and cultural factors. Some of these are discussed in Table 1.

Table 1 Functional and organisational capabilities from human resource deployment

Resource	Functional area capabilities	Resulting overall organisational capabilities
Human resource Human resource systems Human resource practices	• Purchasing capabilities • Retailing and distribution capabilities • Effective branding capabilities • Research and development capabilities • Networking capabilities • Marketing, sales, promotion and customer relations • Corporate culture and accountability capabilities	**Output-based capabilities** • Good relationship with clients, suppliers, public institutions, etc. • Good corporate image **Managerial capabilities** • Degree of commitment and involvement of personnel • Importance of HR aspects in strategic decisions **Input-based capabilities** • Training of firm-specific human capital • Incentives and motivation of specific human capital **Transformational capabilities** • Encouraging creative and innovative ability in the employees

Source Saá-Pérez and García-Falcón [7] and views from managers

International HRM in Africa

A vital component of implementing global strategy is IHRM. Mendenhall et al. [48] observed that the major challenges that the HR function faces in the globalised business environment include the following: enhancing global business strategy, aligning HR issues with business strategy, designing and leading change, building global corporate cultures, and staffing organisations with global leaders. The IHRM function covers recruitment and selection, preparation and training, and setting up appropriate pay and remuneration and performance management programmes. Since it is not practicable to harmonise IHRM practices, Deresky [35] suggested that international managers need to deal with complex local government laws and regulations, varying cultural norms and practices, as well as the local business practices. The dynamics of the HR function becomes compounded in a SSA context where cultural and institutional dimensions play an active role. Table 1 introduces elements of these in the SSA context. The information in Table 1 is based on interviews held in July 2014. Respondents are made up of 4 HRM practitioners in 4 different MNEs, 2 local HR consultants and 1 trade union representative in Ghana (Table 2).

Table 2 Institutional and cultural influences on HRM practices

Local laws and practices	Effect of culture on IHRM function	How to reduce the impact on the organisation
Recruitment and selection		
Qualifications versus nepotism	Although qualifications are required, the selection process is mired by predominant nepotism and corruptive practices because HRM roles are often undertaken my local employees	This means that the best people may not be hired. Oversight of HR from Headquarters (HQ) could support local hiring practices. Expatriates can also be involved in the process. This could serve as a deterrent to deliberate recruitment and selection exploitation and malpractice
Equal opportunities versus women's roles	Masculinity predominates at higher levels. Hiring women, particularly at the lower level, can often be influenced by unfair and unethical practices. Hiring practices can also be influenced by tribal or political influences. Overt hiring from a particular tribe or kinsmen possible. Masculinity and nepotism also influence career development and promotion	The influence of masculinity and nepotism would adversely affect the development of skilled workforce because capability and performance does not adequately influence recruitment, human resource and career development. HQ oversight and expatriate involvement in recruitment and performance management becomes vital

Table 2 (continued)

Local laws and practices	Effect of culture on IHRM function	How to reduce the impact on the organisation
Laws with respect to hiring local employees	Where such laws exist, HR would need to prove that requisite skills are not available locally to recruit foreign workers	Such laws are hardly enforced, and pervading corruption means that foreign firms can flout such laws. This means that, where it is in the interest of firms to hire locals, they would always do so
Training and development (T&D)		
Skills levels, certification requirements	A disconnect between what organisational needs and products from education and training institutions across all levels. This means that the human capital with local knowledge together with an innovative and global mindset is often missing. Certification outside formal education is often not adequately reliable	Most education and training institutions produce cost-effective human capital according to demand from potential students with no corresponding match to the needs of firms and the local economy. HR function may use internships and other collaborative arrangements to help develop requisite human capital
HQ versus local training	Disconnect discussed above means HQ and their subsidiaries should be actively involved in the training and development of human resource	HQ and subsidiary support and deliberate policies need to continuously identify and develop host country employees who have both local and global knowledge as part of the management cadre. Most foreign firms also poach good candidates from local or other foreign firms with better conditions of service
Education versus apprenticeship	The HR function would need to support curriculum development and internship programmes in order to identify the right talent	HR needs to identify good candidates during internship or collaborative programmes to ensure that key skills required are passed on prior to employment
Government pressure on firms to offer employee training	There hardly exist such pressures. Firms use their initiative if the investment in training can improve their performance	Generally, firms that invest in training and development would need HR to design systems that can ensure employee retention
Performance management		
Achievement versus connection	Local HRM practitioners are often influenced by nepotism. Political influence is more prevalent in the public sector than private sector	Source of power/status important and here again HQ and expatriate oversight and involvement can sanitise the process

Table 2 (continued)

Local laws and practices	Effect of culture on IHRM function	How to reduce the impact on the organisation
Industrial relations		
Trade unions	Trade unions have more effects on public sector employees than private sector employees. Most multinationals, with the exception of Chinese firms, already pay well above the minimum wage. Relationships between unions and management in most MNEs are often. Most Chinese firms do not encourage unionisation because the purpose of trade unions varies across cultures	HRM functions in the majority MNEs, particularly subsidiaries of western firms from developed countries, often serve as benchmarks for other firms. Chinese firms may need to also learn from Western MNEs in this regard
The power and structure of unions	Unions often effective with respect to collective bargaining in the public sector. Most private sector local firm employees do not form unions because being employed can sometimes be viewed as a privilege	The HRM function could publicise good practice as a social responsibility that could encourage good practice across the workforces in the host country. This could also make them the employer of choice

Source Constructed from authors' field notes in a related study in 2014

Some of the findings in Table 1 resonate with findings by Debrah [47] and emphasise the diversity of HRM theory and practice and how culture and institutional issues play a role in highly complex and variable societies [49, 50]. It also gives an indication about the way the HR function needs to adapt to find ways of reducing possible negative impacts on firm performance. It is also becoming evident that HR practice in Africa may need to go beyond home country practices to explore various forms of hybridisation of home and host country practices, particularly in the African context [51, 52].

The nature of product or service together with the primary strategic orientation and stage of internationalisation determines the staffing modes. Most authors have referred to ethnocentric, polycentric, regiocentric and global approaches. The choice of MNE staffing mode also depends on where the most suitable human resource can be found. The pertinent questions relate to where the organisation sees the benefits of recruiting locals but are faced with the absence of the quantity, quality and variety of skills. Debrah and Ofori [53] stress the importance of skills development. Osabutey et al. [54] argue that in most developing countries such as Africa, skills development cannot rely on state action alone and that firms have a significant role to play. The issues faced by most multinationals relate more to the skills gaps and the choice between building local capacity and using expatriates from home or third countries. Consequently, Fig. 1 suggests that HRM practice in Africa must operate, as far as possible and practicable, within the context

of institutional and cultural frameworks that are compatible with both local and global frameworks.

Having one inflexible perspective which is purely based on home country policies and practices on one hand or adopting unadulterated host country perspectives could be counterproductive and inimical to firm performance. The cross-fertilisation of home and host country practices could enhance learning for both the parent and subsidiary with the potential of transferring similar practices to similar environments. It was noted by Gomes et al. [55] that HRM issues need to attach enormous significance to regional differences in culture. What is paramount here is that HRM policies and practices should at least be moulded to suit context, with the possibility that any innovations that accrue are likely to impact on the wider practice in the host country [56]. More importantly, lessons learnt can be extended into markets with similar cultural and institutional environments.

Skills Gaps and Capacity Development in Africa

The dearth of requisite talent in a globalised business world has become one of the principal HR concerns for MNEs [57]. Human capital, with the skill set to incorporate global perspectives and integration with local adaptation, in an environment of continuous international learning and innovation, is an urgent requirement [58, 59]. Jackson [49] highlights how Western management styles with respect to how MNEs manage their human resources can sometimes contrast or contradict African managerial values and practices. Asiedu [60] observed that MNEs operating in Africa often encountered challenges that encompass lack of talent (quality, variety and quantity), effective work practices, and institutional and cultural differences. A vibrant HRM or IHRM is required to navigate these challenges.

One of the greatest challenges for MNEs operating in Africa is the shortage of skills and the need to develop, recruit and retain requisite skills. Osabutey and Debrah [61] note that countries in Africa have deficiencies in technological skills. Ibeh and Debrah [62] also argue that MNEs operating in Africa needed to tap into the underutilised pool of female managerial talent. Mellahi and Collings [63] suggest that one approach to developing local talent would be to tap into global knowledge and talent stock from subsidiary networks. However, it appears the existing body of knowledge has failed to evaluate the development of African talent to feed into the stock of global knowledge. In addition, Osabutey et al. [64] observed technical and managerial skills gaps across all levels in the construction industry. Arguably, these deficiencies cut across multiple sectors. This means that skills gaps at all levels have been a problem for many MNEs operating in Africa. The HR function needs to identify local talent to develop as global leaders while at the same time ensuring that the skills gaps at all levels are also addressed. The skills gaps require a framework that is able to match demand and supply within the local and global context. The HR function can begin to evaluate how the lower and middle-level HR can be developed and retained for the day-to-day running of

their business. In addition, it is important that attempts are made to develop managers who can operate beyond their home country first at the regional level and then at a more global level. The challenge of achieving this has not been given adequate attention by researchers and practitioners, and more attention is needed particularly in the SSA context.

Conclusion

The chapter has discussed the development of HR capabilities and organisational human capital development from a global perspective but with SSA contextual inferences. With an acknowledgement that the existing literature on strategic HRM requires the examination of contextual HR systems and practices, the chapter throws light on the diversity and complexity of managing in SSA. With empirical excerpts, the challenges firms in the region face with respect to HRM policies and practices are expounded. One of the issues of pertinent importance is the existing skills gaps at lower, middle and higher levels of operational and managerial activities have been considered. The nuances introduced by the complex cross-cultural and institutional arrangements require that successful HRM practice in the region requires the in-depth awareness and understanding of these issues.

Although the empirical data used are limited, in its nature and scope, there appears to be a suggestion that some level of HQ oversight and expatriate involvement in HR policy and practice could advance the role of HR in dealing with ethical issues within organisations as well as enhance the selection and development of the HR for superior performance. It is also worth emphasising the suggested HQ oversight and expatriate involvement should not lead to the total exclusion of host country HR practitioners whose understanding of prevailing cultural and institutional dynamics is indispensable. HR's role or involvement in the training and development of potential employees even before they are employed is an issue worth exploring. In addition, the need to invest in the development of African global management cadre for the region and beyond should be the responsibility of HR directors and managers to engender African global leadership talent.

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The Influence of Pre-departure Training on Expatriate Adjustment: An Empirical Investigation with Portuguese International Assignees

Dora Martins and Eduardo Tomé

Abstract This chapter examines the cross-cultural influence of training on the adjustment of international assignees. We focus on the pre-departure training (PDT) before an international assignment. It is an important topic because in the globalized world of today more and more expatriations are needed. The absence of PDT may generate the failure of the expatriation experience. Companies may neglect PDT due to cost reduction practices and ignorance of the need for it. Data were collected through semi-structured interviews to 42 Portuguese international assignees and 18 organizational representatives from nine Portuguese companies. The results suggest that companies should develop PDT programs, particularly when the cultural distance to the host country is bigger and when there is no previous experience of expatriation to that country in the company. The study is original because it details in depth the methods of PDT, its problems, and consequences. Some limitations linked to the research design and detailed in the conclusion should be overcome in future studies.

Introduction

Providing training is one way organizations can provide support to ease the crucial adjustment process of expatriates [1, 2]. In the 2013 Brookfield GRS report [3], cross-cultural programs were identified as one major factor to improve the international assignee success. That is, 85 % of respondents indicated that they

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considered cross-cultural training as a good of great value. In this context, 83 % of respondent companies indicated that cross-cultural training was available, 31 % of respondents indicated that cross-cultural training was available for all assignments and 52 % noted it was only available for some assignments.

Expatriates' training has been for long regarded as one of the key elements for the success of business globalization [4–6]. However, to our knowledge, only few studies [7] have focused on the interrelationships between the expatriates' competence, training, and learning style, on the one hand, and the effectiveness of expatriates' adjustment and expatriation success. In this context an assignment is considered to be successful if the expatriate succeeds in completing the entire assignment.

Specifically, in the last decade, there has been a growing interest in pre-departure training (PDT) for expatriates. The growth of long-term international experiences has been demanding companies to develop of training programs able to prepare their international assignees, namely related to training in linguistic awareness and to cultural knowledge [4–6, 8–11].

Researchers claim that between 10 and 45 % of the Western expatriates return to their home country before time. Some factors responsible for the premature return cannot be framed in the Human Resource Management (HRM) domestic management. The main difficulties related to expatriation include high cost, adjustment difficulties, and premature returns [5, 12].

The assignees' question has seen its importance accrued in Portugal due to the globalization process, the Eurozone adhesion, the increased localization, and of multinationals in the country.

Within this context, we aimed to analyze some relevant questions regarding pre-departure training namely: does it exist?; how is it done in terms of content and methods?; who receives it?; what are the expatriates opinion on PDT?; and finally what are its consequences for the expatriates' situation?.

The paper continues with a section in which we expose the main ideas on the role of the PDT in the expatriation process. Then, in 3rd section, we describe the empirical study we performed. Results are presented in fourth section and discussed in the fifth section. The paper ends with a section of concluding comments.

Theoretical Background

In this section, first we describe pre-departure programs as an HRM challenge, then we analyze the role of PDT in the host country, and finally, we describe the theory on adjustment programs and their implications.

Pre-departure Training as an HRM Challenge

Some ideas explain why the PDT of expatriates for their international assignments is a very important HRM challenge;

(a) The international assignees' exposition to cultural diversity and to the opportunity of developing competences related to strategic vision, leadership, cultural diversity management, and powerful formal and informal networks' development [13] helps to understand why cross-cultural training has been one the most investigated topics in expatriation research [e.g., 1, 2, 4–6, 10, 14–16].

(b) The training of expatriates has been recognized as one of the key elements for the success of business globalization [4, 5]. On the other hand, expatriates who are unfamiliar with the host culture may experience many problems in their assignments [17, 18]. Therefore, the risk of a not successful expatriation presents damages that may well be detrimental for future global businesses of companies using expatriates [19].

(c) Furthermore, the communication capability of expatriates could be low. Expatriates who do not appreciate the host culture and have difficulties adapting to it can present various problems for companies, including diminished work performance, substance abuse, overwork, family problems, and psychological problems [4, 18, 20–22].

(d) Several authors suggest that in order to improve their cross-cultural adjustment [7, 23], expatriates must be prepared by a training program not only related to the technical domain of their future work, but also related to the cultural environment of the host country [e.g., 1, 6, 10, 16].

(e) Brewster and Pickard [15]; Suutari and Brewster [11, 24] show that expatriates consider as positive the contribution of training programs before the expatriation phase.

(f) Cross-cultural programs must provide expatriates the basic knowledge that they need immediately after arriving (e.g., cultural habits, language) and, additionally, oriented training for inevitably ambiguous situations during the expatriation time [20]. Expatriates must be informed that they will face two distinctive phases after their arrival at the host country. A first phase of "honeymoon" with the foreign culture, is followed by a second phase of "cultural chock" as a consequence of different behaviors related to the uncertainty and frustration that expatriates need to face [25, 26]. This training helps expatriates to understand the culture of the destination country as well as to develop their own orientation toward learning.

(g) When offered by the company, the training programs of preparation are directed, mainly, only to expatriates [3], excluding the relatives that move with them during the international assignment. Suutari and Brewster [24] in a study conducted in different European companies (England, Germany, France, the Netherlands, Sweden) found that the existing interval between expatriate's decision and departure is, in the majority of cases, inferior to a month, strongly affecting the preparation that can be given to guarantee the expatriation success.

Role of Pre-departure Training in the Host Country

In the literature of cross-cultural adjustment, cross-cultural training has been well acknowledged as an important vehicle for improving expatriates' cross-cultural adjustment [27]. Furthermore, several authors [e.g., 11, 21, 22] suggest that preparation for the international expatriates' assignment (particularly in terms of linguistic awareness and cultural knowledge) is crucial to their subsequent retention. If expatriates receive pre-departure cross-cultural training, they will easily acquire information or knowledge on how to communicate and interact with people and on what the socially acceptable behaviors are in the host country [27]. A large part of the problems that occur during and after the expatriates' return are related to natural and environmental contexts of the international assignment, and these factors impact on the failure of the international assignment and/or expatriates' retention should be assessed.

Furthermore, researchers [21, 28–30] highlight the fact that the greater the cultural distance, the more complex/difficult the tasks of the international assignment, the greater the probability for expatriates to experience problems during the international assignment [29, 30]. These dangers underline the importance of expatriation preparation training.

Two types of preparation training for an international assignment may be considered to have an impact on the ability of the expatriates to adjust to the host country and company. On the one hand, cross-cultural training helps the expatriates to improve their ability to adjust to the cultural host country. Another important type of preparation training for an international assignment is the technical training. This type of training helps to maintain high levels of expatriate job performance and promotes professional growth. This training requires organizational investment, given that good performances during the international assignment have a positive influence on the career progression of the returnees in the company of origin, encouraging retention after return [24].

It is common to observe that, in most cases, this training is only directed to the expatriates, excluding the family that accompanies the expatriates in their international assignment [9]. However, the literature [e.g., 9, 20, 22, 31, 32] suggests that if expatriation preparation training on life and culture of the host country is extended to the expatriate's accompanying relatives, sociocultural adjustment of all members will be easier and will improve the expatriate's emotional situation, as well as the family's, making them feel more motivated to remain in the repatriation company, after returning.

Adjustment Programs and Their Implications

The literature tends to consider that the organizational support to expatriate adjustment to the host country is particularly important, especially when there are huge social, cultural, economic, and political differences in relation to the home country [9, 31] or when the expatriate is accompanied by the spouse and needs to integrate

him or her into the life and culture of the host country or, more specifically, when there is a need to support double careers during the international assignment [33]. This problem is greater when there are school-age children or when the spouse needs to interrupt a successful professional career to accompany the expatriate. Studies carried out by Linehan and Scullion [21] and Tung [34] show that adjustment problems are greater when they involve female workers since the accompanying male has greater difficulty in adapting to the international assignment.

The international assignees who have a positive perception of the organizational support to a contextual and organizational reality that is unknown to them reported having had lower anxiety levels and reduced uncertainty levels in adapting to a foreign country. This organizational support to the adjustment of the expatriate to the host country is a sign that the expatriate is appreciated by the organization [35]. Consistent with this notion, Lazarova and Caligiuri [36] suggest that organizational support may be positively related to the expatriate's commitment to the home company, and to both the expatriate's intentions of completing the international assignment and to remain after repatriation. This relationship suggests that the psychological contract between the company and the expatriate [37], defined as the belief in the contractual obligations that exist between the expatriate and the company, is perceived by the expatriate as applicable [36]. This means that the expatriate feels that the company supports him/her during the international assignment and recognizes the organizational sacrifice involved in moving his/her family to another country. In their empirical study, Lazarova and Caligiuri [36] tested the expatriates' perception of the individual as far as the compliance with the psychological contract and their turnover intentions were concerned. They concluded that when the support program for organizational adjustment was sufficient, the ambiguity of the international assignment was reduced and retention could, thus, be encouraged. Lazarova and Caligiuri [36] have explained the contribution of the support program to expatriate adjustment retention, because expatriation and repatriation cannot be regarded as two separate processes, and therefore, many activities that occur during the international assignment ensure high retention after the international assignment.

Empirical Study

In order to answer the research questions, we decided to make an empirical study. Its design is described in the first sub-section. Second and third sub-sections present details on the companies and individuals whose information was used in the paper.

Research Design

To accomplish our comparative study, we have adopted a qualitative research design. Qualitative research could make a substantial contribution to theory

building in management [38, 39]. As part of the research design, Doz [40] suggests that qualitative research methods offer the opportunity to help move the field forward and assist in providing their own theoretical grounding as well as to "open the black box" of organizational processes, the "how," "who," and "why" of individual, and collective organized action as it unfolds over time in context. Thus, the open nature of qualitative research provides a more likely opportunity to discover new phenomena worthy of investigation.

We have also made a multiple case study. In order to do so, three criteria were adopted to choose the cases for analysis. Firstly, the companies should be located in Portugal. Secondly, they should conform to a formal HRM structure. Thirdly, they should have expatriation experience (i.e., have expatriates). Given that Yin [39] suggests that a multiple case study should present between 4 and 10 cases, we operated with a theoretical and intentional sample [41] composed of seven companies, which have been interviewed.

The interview was considered the most adequate approach to get new insights into the effects of expatriation on turnover and retention of expatriates upon an international assignment. As pointed out by Doz [40], in a new context, semi-structured interview data is a way to learn about that context in detail, and identify and understand new phenomena as they arise and assess the extent to which they are worthy of academic research. Between October 2009 and January 2014, semi-structured interviews were conducted on organizational representatives (two per company) and on international assignees (between four and seven per company). In total, sixty interviews were carried out (eighteen with organizational representatives and forty-two with international assignees). The questions combined topics previously identified in the international assignment literature, developed by the first author of this study, designed to identify organizational support by PDT and its implications on international assignees' adjustment. To see the questions used in this study, please go to Appendix 1. To reduce cross-cultural differences, all interviewees were native Portuguese and all interviews were conducted in Portuguese, by the same researcher. The interviews were analyzed with the intention to discover major themes or arguments in relation to the research issues. The average duration of each interview was 70 min. The tape-recorded data were transcribed and categorized based on "commonalities and differences" across emerging themes, and then, frequencies for each category were determined [42].

To ensure anonymity, identification codes were assigned to each company: company A; company B; company C; company D; company E; company F; company G; company H; company I. In each company, international assignees were called REPRET 1, 2, 3, etc., and organizational representatives called REPORG 1, 2, 3, etc.

To help contextualize each case, companies' websites were accessed to gather data on expatriation policy and general company information. Finally, confidentiality was granted to interviewees and to the companies, as well.

Characterization of the Companies

All companies were private and based in the North of Portugal: five were included in the industrial sector (companies C, D, E, H, and I), two of them integrated the commerce and distribution sector (companies A and B), one belonged to the service sector (company F), and finally, the last company (company G) was in the telecommunications and information technologies business. All companies were based in Portugal. The majority of companies had less than one thousand workers. Five companies had had repatriation experience more than ten years before, and four of them had had this experience less than five years before. Table 1 summarizes the main characteristics of companies included in the study.

Characterization of the Interviewees

Eighteen organizational representatives (12 males, aged 39 on average) participated in this study. Seven representatives performed technical functions related to the HR department (a lawyer, two operational managers, and four technical coordinators), and eleven belonged to directors' boards (10 Human Resources Directors and one Administrator). The majority of representatives possessed a university degree (n = 16), one had a Masters' degree, and another had completed grade twelve.

Forty-two international assignees (36 males, aged 43 in average) were interviewed. Thirty-five months had been the average period of the international assignment (minimum: 8; maximum: 125). International assignments had several destination countries; Angola (n = 10), Brazil (n = 10), and Germany (n = 11) were referred to as the most representative. The vast majority of the international assignees (n = 23) possessed a university degree, eight of them had postgraduate qualifications (MBA and a Masters' Degree), five had a BA, five had finished twelfth grade, and one had finished ninth grade. As for their marital status,

Table 1 Companies' details

Companies characteristics	Companies distribution	
	n	%
Sector classification		
Industrial sector	5	56.0
Commerce and distribution sector	2	22.0
Services sector	1	11.0
TIT sector	1	11.0
Repatriation experience (*years*)		
More than 10 years	5	56.0
Less than 5 years	4	44.0
Number of workers		
Less than 1,000	5	56.0
More than 1,000	4	44.0

10 were single, 27 were married, and five were divorced. When they were interviewed, 9 international assignees performed technical functions, 33 performed direction functions (12 were managers of intermediate level, 17 senior managers, and 4 senior top managers). Seventeen performed technical functions, and twenty-five performed management functions. Table 2 summarizes the main demographic characteristics of participants in the study.

Table 2 Participants' details

Sample demographic characteristics	International assignees		Organizational representatives	
	n	%	n	%
Number of interviews	42	70	18	30
Age				
Average	43		39	
Minimum	24		28	
Maximum	66		52	
Gender				
Male	36	86.0	12	67.0
Female	6	14.0	6	33.0
Marital status				
Single	10	24.0		
Married	27	64.0		
Divorced	5	12.0		
Education				
9th grade	1	2.0	0	0.0
12th grade	5	12.0	1	5.5
BA	5	12.0	0	0.0
University degree	23	55.0	16	89.0
Postgraduate qualifications	8	19.0	1	5.5
Tenure in the assignment (*months*)				
Average	35			
Minimum	8			
Maximum	125			
Position				
Technical functions	17	40.0		
Management functions	25	60.0		
HR technical functions			7	39.0
HR directors			10	55.5
Administrator			1	5.5
Host Country				
Germany	11	26.2		
Angola	10	23.8		

(continued)

Table 2 (continued)

Sample demographic characteristics	International assignees		Organizational representatives	
	n	%	n	%
Argentina	1	2.4		
Brazil	10	23.8		
Brazil/the Netherlands	1	2.4		
China	3	7.1		
France	1	2.4		
Macau	1	2.4		
Malaysia/Singapore	1	2.4		
Poland	3	7.1		

Results

Our results are presented in six subsections, focusing on, respectively, types of PDT, training methods, training beneficiaries, reasons for not providing expatriate preparation training, perception of the lack of training and how this absence is overcome, and finally results of PDT on expatriate adjustment. Table 3 summarizes the main results.

Types of Pre-departure Training

Technical Preparation Training

Regular technical training occurred (though it was recent) in company D and occasionally in company G. The organizational representatives of other companies (A, B, C, D, F, H, and I) reported that there was no technical preparation

Table 3 Summary of key features relating to expatriation preparation training

Training types	Technical in companies D and G. Linguistic and cross-cultural in companies B, D, G, H, and I
Training methods	The predominant methods are the classroom training and look-and-see trips
Training beneficiaries	Candidate and companions in expatriation (spouse and children)
Advance and duration of the process	Reduced. On average, less than 3 months
Perception of the lack of training and how this absence is overcome	(1) lack of time, (2) the similarity in tasks performed, (3) the selection of candidates with the right skills, (4) organizational underestimating of sociocultural training
Results of pre-departure training on expatriate adjustment	(1) self-education of expatriates, (2) the perverse effects of training

training plan for international assignments. Simultaneously, they argued that was no need to do it, since the tasks to be carried out in the host country were to be implemented by selected employees which already had the right skills. This meant that the expatriates performed tasks similar to those performed in the home company, as an organizational representative emphasizes:

> People exercise roles they already play. Here at company B, no person has been given a function that they could not perform, on the contrary … (REPORG 1, company B)

The majority of international assignees (39 international assignees, i.e., 92.8 %) reported not having received training with technical preparation. As reported by organizational representatives, the international assignees confirm that they do not need this kind of technical training. They claim not to have had difficulty in adapting to the functional content in the host company, given that they were performing functions similar to those they already used to perform in the home company.

> I didn't have technical training, since what I was going to do there, I was already doing it here… so there was no specific technical preparation (REPRET 5, company H)

> When we are chosen is due to our strong previous technical knowledge… they [company I] cannot pass us that knowledge that you only learn by experiencing and that I already had… so I had no specific technical training before going (REPRET 1, company I)

In companies D and G, we find some contradiction between the testimonies of international assignees and organizational representatives. In company G, both organizational representatives state that there is no need for technical preparation training for their expatriates because "they will only go if they have the right skills… [and they were selected because they had those skills];" nonetheless, this testimony is contradicted by two international assignees (REPRET1 and REPRET 4, company G). One of the international assignees refers having perceived the need for training and having attended such training. Nevertheless, one of the other international assignees states that although he felt the need, he did not benefit from any technical training before departure. He was sent to the international assignment lacking technical competence, a fact which had implications on his performance during the expatriation.

> … In fact, my biggest failure or major flaws over there were almost always due to omission… In this respect, the need for technical training was essential. In this particular case, it should have been orientated to the task that was expected to be performed. (REPRET 4, company G)

> Yes, [I had training] about the specific software that I would need to do my job... So I had to be acquainted with this software anyway,… No, I had never worked here… [worked here with this software]... (REPRET 1, company G)

The reverse situation occurs in company D. That is to say, the international assignee respondents report not having been included in a program of technical training, but both organizational representatives refer to the existence of technical preparation training, and they considered it to be essential for all company D expatriates. Possibly, this inconsistency is only apparent and can be explained by the recent opening of new branches with a strong technological component

(after sending international assignee respondents), where mass deployments are planned, particularly for highly skilled and technical functions. The responsibility for preparing the technical workforce and local labor is the main reason why the company D refers it is developing a program of technical preparation for its own expatriates, as one of the organizational representatives explains.

> …They had a whole year of preparation, so, about this matter, the factory... [with a need for technological know-how as important as ours], has a [very strong] technological component associated here... (REPORG 1, company D)

Two companies of our study are subsidiaries of a German multinational. For those two companies (companies H and I), the technical preparation training before leaving does not exist because expatriation is precisely the development of technical competencies during the international mission, according to one of the interviewees:

> The technical competencies that we are going to use there are not something we can learn here before going … (REPRET 5, company I)

> In technical terms I had no training. These functions are learned by doing. I kept on proofing that I knew how to do it here and then I went there [aiming at improving those competencies and acquire others]. (REPORG 6, company H)

Cross-Cultural and Linguistic Preparation Training

In five companies (B, D, G, H, and I) only periodic cross-cultural training existed. All organizational representatives mentioned that a formalized cross-cultural training program did not exist. Nonetheless, they considered it significant, especially with regard to expatriation to countries whose official language is not Portuguese or English (e.g., Germany, Poland, China) or when the cultural reality is very different or unknown to the Portuguese expatriate.

> For example in Spain I do not know whether it was as necessary as that. For Brazil I think it was more useful than in relation to Spain, because of the distance and because of not visiting Portugal so frequently. For other more distant countries, like China or India, it would undoubtedly be useful. It also depends a lot on the people. There are people who have a lot of personal international experience. In relation to those people, there is not much left to know, because they already know what it is like to live in another cultural context, they know what they are going to do and there is no need for apprehension… (REPORG 2, company B)

Language training existed in three companies (D, H, I). These companies provided this type of training when expatriate employees did not speak the host country's official language. There was an official program for English (companies D and H), Spanish (companies D), and German language training (companies H and I). However, attending this type of training was optional. In other words, trainees considered as unnecessary for expatriates to attend preparation training if they do not wish to do so.

There was… an offer of training in the Spanish language, I ended up not attending it because I felt I was already quite familiarized with it. (2 REPRET, company D)

I got training in German language… I spent 6 weeks learning German without being at work. (REPORG 2, company I)

Training Methods

Companies providing preparation training for the international assignment adopted three main training methods: classroom (technical and linguistic), look-and-see trips (of sociocultural adjustment training), and support documentation.

… language learning. When the language differs from ours, we offer private foreign language courses, we want to integrate people. (2 REPORG, company D)

… no one goes abroad without having been working there for a week, 15 days… a look-and-see trip and some work associated with it, so it's not just tourism, it is also a work experience. (REPORG 2, company D)

… There are other supports, for example the cultural profile guide containing useful cultural informations about the country where you're going to (about driving civism, waste separation, …) (REPORG 1, company I)

Training Beneficiaries

In companies where preparation for expatriation training occurred, the actual beneficiaries were the expatriates (in technical training, when provided, in language training, and cross-cultural training) and also the members of the household who accompanied them (in language training and in look-and-see trips).

… We provide [linguistic] training and the family is included, not only for the expatriate but also for his/her children… (REPORG 2, company D)

… the spouse is involved in the info trip, therefore goes with the collaborator to the destiny country to see how it is to leave in the area their going to, to go to a supermarket and see how things work, talk to people that already live there for long, so is involved in the process … (REPORG 2, company H)

Reasons for not Providing Expatriate Preparation Training

Four reasons why companies do not provide expatriate preparation training were identified: (1) lack of time, (2) the similarity in tasks performed, (3) the selection

of candidates with the right skills, and (4) organizational underestimating of socio-cultural training. Here are some illustrations:

Lack of time

Sometimes… there is no time for it, sometimes it has to be as it is: go, we'll be here for you, and then we will see! (REPORG 1, company E)

Similarity in tasks performed

… [We do not provide technical training because the expatriate] will play a very similar role to the one performed here… (REPORG 2, company C)

Selection of candidates with the right skills

… They were chosen precisely because they gave us the guarantee of performing well abroad. So there are no technical questions whatsoever. (REPORG 1, company B)

Organizational underestimating of socio-cultural training

Not much… we are not very apprehensive about this [cross-cultural training] because what is asked of them is not so much to get in contact with the locals, but to be part of the workforce in production areas… we are not very worried because they will be placed in Portuguese teams… (REPORG 1, company C)

Perception of the Lack of Training and How This Absence Is Overcome

The perception of international assignees regarding the lack of training was variable. In relation to the type of training, out of the 39 international assignees, who received no technical training, only one felt the need for such training (REPRET 4, company G).

As for cross-cultural training, its absence was felt by 18 international assignees (42.8 %) as an organizational failure. They argued that, in case it had existed, it could have helped to lessen sociocultural adaptation difficulties they recognized they had felt.

That could always be helpful… we have the idea that it [Brazil] is a Portuguese speaking country, and that they are almost like us, which is not true… I often say that only the language is apparently the same… things sometimes mean other things… "absolutely"[absolutamente] and "not really"["pois não"] are clear examples of this. When I'm on the phone and I say, "yes," and they say "not really", and when they intend to say no, they say "absolutely". "Absolutely" is "no"… (REPRET 1, company F)

I think it is fundamental [expatriation preparation training program] because we're dealing with other countries. Even inside Europe we have conditions and ways of living that are different but when we deal with countries such as the Asian ones or the African ones maybe we should have other deeper cares. (REPRET1, company H)

The remaining international assignees (n = 16, i.e., 38.0 %) did not consider important to have a cross-cultural and linguistic preparation training program. The given reasons were different. Some (n = 4, i.e., 9.5 %) reported that the training would have alerted them to a reality that would lead them to reject the mission.

Others (n = 12, i.e., 28.5 %) mentioned that the training would have been of little use, as illustrated by the following comments:

> I think that if I had been given a clear picture of what it actually is, I would have never gone. (REPORG 4, company A)

> Training (in the case of Angola) solves nothing, because the reality that we find there is different from what we may be led to believe. (REPORG 5, company C)

The absence of a training program to systematically prepare international assignees led some expatriates to consider alternative preparation mechanisms when the country was unknown. Some international assignees reported having resorted to contacting colleagues who were former expatriates or expatriates still present at the same destination. Nonetheless, most expatriates resorted to self-learning about the host country, as illustrated by the following examples:

> Linguistically it was I who started to listen to my MP3 in German before leaving. (REPRET 3, company E)

> I… was the one who worried about it… I did research… to see what it would be like. There was not any kind of support from the company. (REPRET 2, company C)

Results of Pre-departure Training on Expatriate Adjustment

The difficulties of integrating the expatriates seemed to vary according to the geographical distance, and cultural, social, and economic gap between Portugal and the host country.

Since many host countries of international assignees' respondents (Germany, Argentina, France, Netherlands, Poland, Czech Republic, Angola, Brazil, Macau, China, Singapore, and Malaysia) were countries with a higher socioeconomic development compared to Portugal, the identified integration difficulties were minor. Geographically and culturally distant countries (Angola, Brazil, China, and Malaysia) were the ones for which more negative aspects related to the integration of assignees were reported.

Difficulties in the Integration

All companies claimed to support integration, but the actual support they provided seemed to be insufficient in relation to the difficulties that most expatriates actually found. Nevertheless, all expatriates (n = 42, i.e., 100 %) referred to have had some support, However half of them claimed (n = 21, i.e., 50 %) to have experienced integration difficulties. These difficulties were both at the level of integration in the host country (n = 15, i.e., 35.7 %) and at the level of integration in the host company (n = 6, i.e., 14.2 %).

Being the newcomers had bad consequences. Respondents who told they were the first expatriates to arrive were the ones that generally, acknowledged that they had greater integration difficulties. However, when international assignees met Portuguese colleagues after they arrived at the host country, the integration difficulties were practically inexistent, due to the help and support the second-generation assignees received from their first-generation colleagues. The following remarks underline this difference in the ability for integration. Curiously enough, colleagues both belonged to the same company and worked in the same host country:

> At the beginning it was very difficult… I was the first employee of the company to be expatriated. (REPRET 1, company E)

> … at the time, my boss was a Portuguese expatriate, later I met another Portuguese expatriate, who became a housemate. Being there with them, who had been there before me, made it easier to get integrated into the same groups that already existed. (REPRET 3, company E)

The international assignees who had no integration difficulties (n = 21, i.e., 50 %) reported that the reasons for this were associated with the positions that they had occupied during the expatriation (i.e., places of leadership, having autonomy to act, or because they had the support from supervisors and/or native colleagues). They also pointed out the presence of Portuguese colleagues who helped in their integration within the country or in the host company.

Here are some examples of the reasons that hindered the integration of international assignees both in the host country and company:

Language barriers
> Believe me… that was the first time in my life I felt I was in a black hole. I came to a place where I could not read a word, did not understand part of the alphabet and I could not understand a word, because there was not anything written in English anywhere… on the day I arrived to Poland (REPRET 1, company E)

Relationship difficulties with the predecessor of the host country
> It was a very difficult period, he [the former director of the branch] would not answer the phone. Once I called his home and his wife told me that he no longer had that phone number and stuff like that, the guy had almost disappeared,… (REPRET 1, company D)

Unsafe city
> The feeling of insecurity… when we get there. This is the first situation. Here [Portugal], at the weekend, we're used to going to Lisbon or Porto, wherever we want, to see the shops and there everything has locked bars. (REPRET 1, company B)

Illegal expatriation
> I had difficulties as simple as this: I still didn't have a legalized situation in Brazil, because my work visa was issued only a few months later. I was, then, the director of the company but could not officially be a director because I shouldn't have even been working and I had a problem: no one could officially sign papers, or simply make bank transactions or other things… (REPRET 1, company D)

Cultural maladaptation
> …In Malaysia we are dealing with three distinct cultures with a majority of Chinese, Indian and Malay, which are totally unknown, but I felt a huge difference… Dealing with

Chinese is not like dealing with Malaysians as it is not the same as dealing with Indians. It's completely different, at least I had great difficulty in dealing with the Chinese team. They are very closed, they don't speak out… We seldom talked to each other… Indeed, I felt a lot of difficulty in working with them! (REPRET 1, company G)

Main Peculiarities Found

International assignees had a more proactive and preventive attitude toward the difficulties in integrating cultural and linguistic diversity, whereas organizational representatives assumed a more reactive and corrective attitude. The lack of sensitivity to issues of sociocultural adjustment on behalf of organizational representatives may occur because most organizational representatives had no personal expatriation experience.

Finally, two specific results emerge: (1) The self-learning of international assignees is the preferred method and (2) the possible reverse effect that the existence of an expatriation preparation program may have in the elimination of candidates, especially when the host country's culture is perceived as less evolved (e.g., Angola).

In sum, notwithstanding, the difficulties experienced by half of the international assignees (n = 21, i.e., 50 %) did not affect the completion of their expatriate missions. Despite this, we underline that all international assignees' respondents (N = 42) completed their international assignment until the end.

Discussion

In this study, Portuguese organizations do not offer many pre-departure programs when compared to companies from other countries. PDT programs are more common in Europe [43–45], but the results show that preparation for expatriation training is virtually nonexistent in the surveyed Portuguese companies (e.g., company E and company F training is absent). The results seem to resemble the trend in the USA, a country in which concern with the pre-departure training is reduced. The small investment in the preparation for the international expatriate's assignment may be explained by the small interval of time between the decision and the start of the international assignment. Suutari and Brewster [24] found that, in most cases, the interval between decision and departure for the international assignment is less than a month, strongly affecting the future preparation of expatriates. The results of this study confirm that, on average, it is less than 3 months.

Resorting to self-training (i.e., expatriate's auto-didacticism) emerges as the favored method of preparing the expatriate's missions by the companies under analysis. However, the literature does not suggest this occurs in other countries. From the results of this study, not from literature references, the argument that subsists is that associated with this practice of preparing an international assignment, a training program for effective preparation of candidates may alienate some

international assignees, especially when developed in countries perceived as more culturally disadvantageous in relation to Portugal (e.g., Angola). There are reasons to suppose that in international missions to countries perceived as culturally disadvantageous, the effects of the lack of preparation training are perceived as positive. In our study, we have obtained evidence confirming the existence of a training program for a cross-cultural mission may repel candidates, leading them to refuse expatriation. Regarding the technical background, preparation training was deemed unnecessary by most international assignees. This argument seems to bring forward the comparison of an expatriation mission to a national workplace transfer. Therefore, the results of our study contradict the arguments of Mayrhofer and Brewster [46] who emphasize the need for extensive intercultural training so as to assimilate the culture of Asian and Latin America countries.

Concluding Comments

Main Findings

Results show that only half of the companies promote PDT to prepare the international assignees. When this happens, the majority of the training is technical and cross-cultural. The main methods used are classroom training and informational trips. When training was provided, the assignee family was also involved. Furthermore, the companies and international assignees do not recognize the importance of training to adjustment. Finally, there are many perverse effects on the lack of PDT in the difficulty of adjustment of international assignees.

Theoretical Implications

The study provides some clues that may enhance the theory of expatriation. A specific situation associated with our results is the case of a company where preparation training seems to be explicitly avoided. The company claims that this training can contribute to the candidates' refusal to go on expatriate missions, especially when the host country is perceived as culturally disadvantageous when compared to Portugal. The question that arises here is whether this problem can occur with other apparently problematic destinations. We should, however, understand the potentially perverse effect that can arise from this lack of information (e.g., affective commitment difficulties and the risk of negatively influencing future candidates for expatriation). This behavior by the company may give origin to the weakening of bonds of trust that can be reflected in the unwillingness to undertake these internationally institutional representations. Being aware of the perverse effects of training and preparation, companies do not inform their candidates about them, and thus, they may be violating the psychological contract [e.g., 47].

Practical Implications

Our data suggest that within Portuguese-based companies, there is no concern with PDT for expatriation. This fact can be explained due to the fact that companies tend to select host countries which are very similar to the national culture, including the language level (e.g., Brazil and Angola). But we also found that some expatriates encountered difficulties in adapting both culturally and linguistically, particularly when the host countries are more distant and different from Portugal. These difficulties in turn lead to anxiety and can only be surpassed with much effort by the individual; that effort is decisive because the difficulties may abort or condemn the expatriation mission. Therefore, the results suggest that it is advisable for those who are responsible for Human Resource Management function in Portugal-based multinationals, to promote training programs to prepare for expatriation assignments whenever the host countries have major cultural differences from Portugal. The westernization of Portugal suggests that expatriation to Eastern countries (e.g., China, Macau, Japan) is preceded by some cross-cultural training. The results confirm the cultural shock is greater when expatriations occur in Eastern countries.

Limitations and Suggestions for Future Research

The study has some limitations that should be considered when interpreting the findings. Those limitations, in turn, result in possibilities for further studies.

Firstly, the approach adopted—case study and in-depth interviews—precludes the generalization of the findings. Future studies should include more Portuguese companies operating in several sectors and in different internationalization stages.

Secondly, the management strategy of the expatriates and the dimension of the company can help to explain some of the specificities in the PDT found in the Portuguese companies compared to other countries. For example, the vaster experience in expatriation management from European countries to Asian and American countries can help to explain why more PDT was found in previous studies [e.g., 43, 45, 46, 48] but was not replicated in the organization of the companies involved in this research.

Thirdly, the readjustment of the repatriate upon return has not been exploited, so future studies could analyse how the pre-return training influences the readjustment to the home country and company of the repatriate and consequently his/her wish to remain with or leave the repatriation company. Only repatriates were interviewed, and no recent expatriates or expatriates about to begin the assignments. This fact may have created difficulties in the recollection of the real difficulties related with the lack of training programs at the time of the departure.

Appendix 1. **Questions for Interviewees**

(a) **Guide of the interview to the Organizational Representative**

- How long have you been carrying out international assignments?
- How many expatriates do you have?
- How long have you been carrying out repatriations?
- Average duration of an international assignment?
- Country/ies of destination?
- What kind of PDT support there is?
- How is the adjustment process of their expatriates (host country and host company)?

(b) **Guide of the interview to the international assignees**

- Duration of the international assignment?
- Country/ies of destination? (Did you know it on a personal or professional level)?
- Does the expatriate go alone or with company? (Who accompanied him/her)?
- Was the international assignment fulfilled to the end?
- What function/activities/tasks did you perform during that international assignment? (Where they identical, better, or worse than those you already performed before going)?
- What kind of PDT support you beneficiated?
- How was your adjustment process (host country and host company)?

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A Practice with Potential: Expatriate Cross-Cultural Training Among Irish MNCs

Michael J. Morley and Emma Parkinson

Abstract Despite a number of often cited advantages attaching to the implementation of cross-cultural training (CCT) programmes in preparing expatriate employees, research indicates that the amount of training undertaken can be modest. This chapter explores the use, role and perceived value of expatriate CCT in developing an expatriate management talent pool in internationalised Irish-owned MNCs. Drawing upon qualitative data from in-depth interviews conducted in twelve Irish MNCs, we highlight the uneven approach among MNCs to the provision of cross-cultural training largely arising from the urgency associated with many international assignments and the sporadic nature of these transfers. Despite this, all interviewees demonstrated an awareness of the potential value of CCT, and a majority openly articulated the potential of a formalised CCT initiative in supporting the expatriates' likely success when on assignment. Where training interventions were provided, we unearthed a preference for a combination of cognitive and experiential approaches. Chief among the perceived benefits of CCT were its role in structuring expectations and its capacity to facilitate some cultural mastery.

Introduction

Finding and developing the talent required to execute international strategy is of critical significance to MNCs in order that they might reduce the liability of foreignness which they face [1]. This liability, arising from the cultural and institutional distance and idiosyncrasies, comprises a range of both surface and deep-level differences between the home and host location which the MNC encounters and which impacts the intercultural transitional adjustment processes of the expatriate manager when she/he is seeking to achieve good person–environment fit

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with the new host environment [2–5]. Bridging this hiatus demands a cadre of management talent with appropriate intercultural competence. This competence, at the individual level, in the form of personal attributes, knowledge and skills, is presumed to be associated with global career success and, at the organisational level, with business success through the more effective management of business operations [6]. The cumulative evidence from the international, comparative and cross-cultural literatures on the attention paid to developing this competence remains mixed. This is critical because a lack of interculturally adept human capital may act as a significant and on-going means constraint on the implementation and execution of global strategy in an increasingly diverse range of host locations and result in a cohort of expatriate managers experiencing negative psychosomatic consequences arising from an underlying psychological discomfort with various aspects of a host culture.

In this chapter, drawing upon exploratory, qualitative data, we examine the use, role and perceived value of expatriate cross-cultural training (CCT) in composing and developing an expatriate management talent pool among 12 recently internationalised Irish MNCs. Conceptually, expatriate CCT, which is increasingly viewed as an important building block of the architecture of an integrated suite of congruent international human resource policies and practices, is understood to comprise of formalised experiential or cognitive interventions designed to increase the knowledge, skills and coping mechanisms of expatriates in order to assist them in multiple domain interactions and facilitate their adjustment to living and working in the novel sociocultural context [7, 8].

Literature Background

Operating within and across diverse contexts brings with it a bewildering variety of cultural and institutional specificities that make managing in this milieu especially complex with the result that, as Torbiorn [9] put it, many thousands of words have been devoted to the subject of the ideal candidate for overseas assignments and their associated complexity. The focus on achieving good fit between candidate and context is understandable because as Yan et al. [10] highlight, "the challenges involved in cross cultural assignments can be high for both the individual and the organisation" (p. 373), and it is often an experience which is characterised by "all too familiar and vexing difficulties" (p. 374). Chief among these difficulties faced by the expatriate manager are culture shock, transitional adjustment difficulties, differences in work-related norms, isolation, homesickness, differences in healthcare, housing, schooling, cuisine, language, customs, sex roles and the cost of living.

As a result of these and associated challenges, the development of a cadre of expatriate managers with distinctive competences who can manage the increasing complexity of running global organisations has become a key human resource management and human resource development priority for many organisations

[11–15]. The increased necessity to provide CCT as part of the international assignment cycle is underscored by the changing patterns of global staffing emerging in MNCs and the complex roles these diverse cohorts of expatriates play in increasingly challenging, more varied and, in many instances, heretofore under-researched locations around the globe which have become hot spots for foreign direct investment, most especially the emerging markets, many of which are on a significant growth trajectory [16–23].

Conceptually, academics have classified expatriate CCT along two broad dimensions, namely *pre-departure training* and *post-arrival training*, and have pointed to its importance in maximising the benefits to be gained from the expatriate career move [7, 24–26]. As an intervention, it has been offered as a potential part of the solution to some of the difficulties encountered during the intercultural transitional adjustment process and a number of potential benefits have been claimed for it. For example, it has been argued that CCT may assist in the acquisition of skills, behaviours and coping strategies required by the expatriate, may help to decrease mistake-making in the interpersonal encounter, and contribute overall to reducing some of the negative effects of culture shock and the time to proficiency in the new cultural context. While a review of the evaluation studies conducted to date is beyond the scope of this chapter, there are several contributions in this genre. For example, Earley [27] compared participants' performance following exposure/no exposure to documentary and interpersonal training interventions. On completion of the assignment, those individuals who had participated in both types of training received more favorable evaluations from their supervisors in terms of adjustment and work performance, while those who had received no pre-departure training were given significantly lower evaluations. In another account, Bird et al. [28] examined the effects of informational training which indicated that training increased the factual, conceptual and attributional knowledge of the participants leading them to suggest that such programmes may be a mechanism through which to establish cultural awareness, though they cautioned that "the impact of this knowledge on other factors believed to be associated with cross-cultural adaptation appears limited" (pp. 432–433). Specifically examining the value of pre-departure training, Eschbach et al. [29] explored repatriate employees' retrospective assessments of the effects of the training on their adaptation to international assignments. Their assessment indicated that those who received rigorous CCT exhibited cultural proficiency earlier than the others. Additionally, those repatriates who had received such training had greater job satisfaction leading Eschbach et al. to conclude "that those with integrated cross-cultural training had a better level of adjustment and higher levels of skill development" (p. 285).

Caligiuri et al. [30] explored the relationship between the relevance of particular forms of pre-departure training and the emergence of more realistic expectations among a cohort of globally dispersed expatriates. The results of this study led Caligiuri et al. to suggest that "highly relevant CCT created either accurate expectations or expectations of difficulty prior to the assignment" (p. 366) and have been instrumental in increasing the expectation of success and reducing the time taken to reach fuller proficiency in the host environment.

Beyond evaluation studies of this nature, systematic reviews of the impact of CCT are also a feature of the literature. In this genre, Black and Mendenhall [31], for example, reviewed twenty-nine empirical studies on the effectiveness of expatriate CCT programmes in relation to three anticipated outcomes, namely cross-cultural skills development, personal and family adjustment and performance in the host country, and concluded that these studies gave guarded support to the proposition of the effectiveness of CCT. From a methodological perspective, however, they noted that "more longitudinal studies are needed that include rigorous research designs, before definitive conclusions about the impact of training over time can be made" (p. 119). Morris and Robie [32] in their meta-analysis of the effects of CCT on expatriate performance and adjustment found overall support for CCT effectiveness in terms of facilitating expatriate success, while Littrell et al. [33] in a retrospective examination of 25 years of research between 1980 and 2005 concluded that while the evidence points to CCT being effective in enhancing expatriate performance overall, more empirical research was needed to make advances in the field.

Methodology

In order to further explore the role and perceived value of CCT in the development of an expatriate management talent pool among Irish MNCs, we conducted in-depth interviews in 12 Irish organisations that have internationalised in the last decade. The MNCs that participated in our research spanned six sectors including finance, air industries, construction, hospitality and the food industry. Interviews were conducted in all instances with the manager who was primarily responsible for implementing expatriate programmes in the MNC. These individuals were chosen as key informants capable of providing insights on the policies, practices and preferred approaches adopted by their respective MNC. Each of the organisations in the sample used was chosen in accordance with the following criteria, namely:

1. The organisation had to be an indigenous Irish-owned company;
2. The organisation had to have international operations; and
3. The organisation had to be involved in sending employees abroad on conventional longer term expatriate assignments. MNCs that relied on frequent-flyer programmes and other non-conventional international assignees to conduct international business were not included in the research.

The interviews conducted were between 45-min and 2-h duration and all were recorded. Ten of the interviews were conducted face-to-face and one was via telephone as the interviewee was undertaking an assignment at the time. One respondent replied electronically via email arising from time constraints that precluded a face-to-face interview. In this case, we sent the interview schedule to this participant. Any gaps in information were dealt with in all cases with follow-up telephone interviews. The interviews were subsequently transcribed, and, following an analytic induction approach, the data were coded and structured to generate meaning (Table 5.1).

Table 5.1 Profile of participant MNCs

Sector	Data acronym	Position of interviewee	Length company in operation	Length involved with IAs	No. of expatriates currently on IA	No. of overseas locations	Regions companies locate in	Duration of IAs	% Male/female
Finance	Fin 1	Assistant manager of group HR	35 years	6 years	80 approx.	5	USA, Poland	5 years max 7 years except	Majority males
Finance	Fin 2	Head of learning and development	132 years	5 years approx.	30 approx.	2	USA, UK	3–5 years 7–10 years	40 %—F 60 %—M
Finance	Fin 3	HR management team	128 years 17 years	Did not provide specific information	20 approx.	5	USA, Australia, S. Africa, Germany, UK	3–12 months 3–5 years	50 %—F 50 %—M
Air industries	Air 1	HR specialist	2 years	April, 2003	No figures provided	4	UK, Italy, Germany, Portugal	No set time	70 %—F 30 %—M
Air industries	Air 2	Training and development manager	Just over 16 years	16 years	45 approx.	8	Russia, UK, Ukraine, Germany, USA, Canada, Middle East	2-year contract, renewable after that	10 %—F 90 %—M
Construction	Cons 1	HR manager	70 years	Since 1960–1970s	5	5	Switzerland, Africa, Ukraine	2 years is the norm but project based	Majority males
Construction	Cons 2	HR director	34 years	32 years	6	6	Switzerland, Poland, USA	Vary from 3 months–7 years 2–3 normally	1 female of 6

(continued)

Table 5.1 (continued)

Sector	Data acronym	Position of interviewee	Length company in operation	Length involved with IAs	No. of expatriates currently on IA	No. of overseas locations	Regions companies locate in	Duration of IAs	% Male/female
Hospitality	Hserv 1	Regional HR manager, Ireland	Since the 1880s	5 years	Not advised	2	USA, UK	2–3 years	Mostly female
Services	Userv 1	HR specialist	15 years	12 years	100	10	Malaysia, Indonesia, UK, Middle East, Spain	6 months—5 years	10 %—F 90 %—M
Services	Userv 2	Managing director	1991	1986	50	12	Eastern Europe	3 months	90 %—M
Food industry	Food 1	HR manager	45 years	Since early 1990s	30 approx.	4	Far East, South America, Canada, USA, Mainland Europe	12–18 months 3–5 years	10 %—F 90 %—M
Food industry	Food 2	HR officer	32 years	Since 1986		25 approx	USA, Far East, Australia, New Zealand, Brazil, Mainland Europe, Mexico, Canada	No specific duration—flexible	Majority male

Findings

The Rationale for the Assignment

The key reasons underlying the initial employment of expatriates as part of the internationalisation effort varied somewhat. Six of the MNCs were focused on the expansion of current operations. To this end, responses included the following:

> The original intention behind sending them abroad was business expansion and growth and secondly, we started using expats because, I suppose they've established a trust and have a track record with [the company]. They understood your market, understood your products and you maybe have trained them from inception into the organisation so they'd have valuable knowledge and you'd be sending them to other countries to develop and grow all those markets.
>
> (Fin 2, Head of Learning and Development)

> We originally started using expatriates merely to facilitate us to transfer technical and managerial skills and their purpose hasn't changed since then.
>
> (Hserv 1, Regional HR Manager)

Other MNCs posited capitalising on their employees' core competencies as the primary incentive driving their corporate philosophy to deploying international assignees.

> The main purpose at the moment is development, development of the individuals but with the acquisitions that have been made…people have been sent over because of their expertise, so senior people might have been sent over because of their expertise to assess the companies and to bring them up to date and make any structural changes.
>
> (Cons 1, HR Manager)

> It was a strategic decision that they took…our main growth over the next 3-5 years is going to be in the States, so that's where our concentration is, that's why we're developing new businesses, we need expertise out there to build up the business.
>
> (Food 1, HR Manager)

A further two interviewees pointed to the necessity to manage the subsidiary in accounting for their use of international assignees.

> They took over, they acquired XXX in America and really they sent people out to manage the operations in America.
>
> (Fin 1, Assistant HR Manager)

> The majority of our operations are in Europe so it would be initially setting up new bases and then operating them.
>
> (Air 1, HR Specialist)

The majority of the assignments were undertaken by males. Here, sectoral issues in terms of the nature of the industry in which the MNC operated or socio-cultural context issues referring to the location being perceived to be less amenable or more challenging to female expatriates were cited:

> It's nearly 90 % male that go….I suppose its because if you think of the disciplines that people are coming from a lot are engineers, production people, I.T. you know traditional male roles really.
>
> (Food 1, HR Manager)

> It is because of the locations we have. We have placed women in Bahrain alright and when we had an operation in Dubai we placed women there because it is more Western and that worked out very well. We didn't have a difficulty there. Whereas in Saudi Arabia and Kuwait we have had more challenges, also we have to follow the stipulations that the partner would put into the contract.
>
> (Air 2, Training and Development Manager)

Our findings are consistent with that found in the broader literature regarding the motivations for using expatriates in the early stages of internationalisation and underscore the argument that control and trust are major motivators for using expatriates in setting up subsidiary operations, establishing new markets, along with socialisation and spreading the corporate culture.

The Approach to CCT

Various methods were employed in preparing expatriates. None of the MNCs adopted purely pre-departure training, two used post-arrival only, and three MNCs claimed to use no formal training interventions. Of note, five MNCs adopted an integrated approach to CCT. Representative of some of these different methods are the following remarks:

> Most of our employees that join us would have induction training in XXX before they initially head out abroad and then they would have further induction training when they arrive at the location and then really they are left to get on with their job as such.
>
> (Air 2, Training and Development Manager)

> It's very much left to themselves in terms of pre-departure training for themselves or the spouse; that wouldn't be one of our fortes.
>
> (Food 2, HR Officer)

Evidence from the participant organisations points to the existence of a combination of cognitive and experiential approaches, with a strong reliance on technical approaches to training.

> Our training is focused on job and skills training.
>
> (Hserv 1, Regional HR Manager)

> For an engineer, depending if they had worked on the aircraft type before, they can start with one or two days training. If they haven't, the training can take six weeks. So it really depends on the job itself. Its not really assigned by the level of the job, but by the actual job itself. The majority of the training that we do is related to the job.
>
> (Air 1, HR Specialist)

> Well, it [training] would depend on the role but I suppose if I was to pick a typical role of maybe the structured business desk, it's a very specific area and it's the technical competence of structuring products combined with the sales ability to go out and meet customers and talk them through it. So for example, if we were seconding somebody to London for that role and if they had never worked on the desk before…they'd get two months technical training in terms of each of the products, externally as well as our internal on the job programme.
>
> (Fin 2, Head of Learning and Training)

Beyond the technical rationale, an emphasis on mentoring as a training technique, although not always operating in a formal capacity, was also in evidence.

> Mentoring is always useful as part of the training process for somebody going into a new role to have someone else that they can bounce things off, someone who is not their direct boss or someone they are answerable to, you can ask stupid questions in confidence and I think its very useful.
>
> (Cons 2, HR Director)

Closely aligned with the benefits of mentoring was the positive aspect of liaising with previous expatriates. This has been outlined above as an informal mechanism of informing prospective expatriates about their new location. The value of this approach is illustrated by the example of one MNC which normally did not engage in any formalised cross-cultural training. While this may not be regarded as formal training, it did have the benefit of informing expatriates about the likely experience they would face.

> About two years ago, we had four or five assignees going to Poland at the same time so… we had an informal evening, so we brought the assignees into the company and we had evening drinks for the family and there was a number of people that had just come back so we arranged for them to come in and meet with them…to get to know each other and then they could discuss general issues and what the assignees should be doing, how they should be preparing themselves for going overseas.
>
> (Fin 1, Assistant HR Manager)

By contrast, however, another MNC, while recommending such an approach, questioned the efficacy of relying on somebody else's account of his/her experience. The interviewee remarked:

> We encourage it because the more they know about a particular place before they go the better, although it does give them perceptions that may or may not be true because they are somebody else's experience of it but the more, the more they are familiar with it and the more they feel familiar with it, usually the more successful the assignment will be.
>
> (Fin 3, HR Management Team)

Interestingly, area studies approaches in the form of books and audio-visual training mechanisms appeared to be unexploited among participant MNCs. The response of one interviewee illustrated vividly that expatriates should assume a certain amount of autonomy and self-directed learning in this regard.

> I think people going to another country should do their research anyway. I think it's a bit naïve of them, maybe even a bit silly, to arrive in a country without having read up about it if you're going to live there…we're talking work professional here, we're not talking about going on holiday…we're talking about this is your career and you really should know about what you're getting into and do some research and its so easy with the internet and stuff and if they haven't done any research you know I'd wonder about them.
>
> (Fin 3, HR Management Team)

Our research findings, however, indicated that the MNCs did not leave preparation solely to the discretion of the expatriate. Rather, the research suggests a strong emphasis on briefing expatriates before they undertake an assignment. This emerged as an approach even among those respondents who indicated they did

not adopt any formalised training for expatriates, suggesting that some participant MNCs did not regard career counselling or informal briefing as a pre-departure training method. The following quotation demonstrates this.

> To be honest we don't do it [training], we paint a very real picture of on-campus life-style [reference to assignments in Pakistan] or the various different locations and what's involved in it and we really endorse the fact that staff are 100 % aware and go in with their eyes open and know what they are getting themselves into as regards expat life and the highs and lows of that really.
>
> (Userv 1, HR Specialist)

The managing director of the second utility service MNC described the benefit of using this informal approach:

> It makes them happier if they're going out if they've a reasonable feeling that they know what they're getting into, that they know who to call if there's any problems, that they know how the country handles itself etc.
>
> (Userv 2, Managing Director)
> (Cons 2, HR Director)

In relation to the experiential approaches adopted, several MNCs across the sectors espoused preview or "look-see" visits to the new location. One interviewee from the food sector indicated that these "look-see" visits provided the opportunity for expatriates to assess if they felt that they would be able to adjust to the environment.

> If somebody says I'm not really 100 % content, that's where we'd offer them a look-see visit…so people would go out for a week or two and that kind of gives them a sense of the challenge that would be there and if they'd be happy with that.
>
> (Food 1, HR Manager)

Air 1 echoed this approach. The training and development manager noted that it allows the potential expatriate the opportunity to see how well they function in the location.

> I would say capacity to cope and capability to cope with the environment are very important and if we have selected someone for a position, before we actually offer them a position, we normally fly them out to the location to meet the management team in the location to see how they get on for two or three days.
>
> (Air 2, Training and Development Manager)

The experience of Construction 1 further emphasises the relevance of employing this approach to ensure unsuitable candidates do not proceed with the assignment.

> They [the company] bring the expatriate over, they introduce them to the company, the people working there, get a job description for them…they stay about three or four days and then they come back. In the time I've been there, it's only happened once that some-one has decided based on the look-see not to proceed.
>
> (Cons 1, HR Manager)

Overall, drawing upon the dichotomy in the extant literature the interviews are suggestive of a stronger emphasis on a preference for cognitive approaches to expatriate training with relatively little emphasis being placed on experiential techniques. As one would expect, the implementation of training practices incorporates pre-departure and post-arrival elements, depending on the particular approach being utilised.

The Perceived Value of CCT Initiatives Undertaken by Irish MNCs

We now turn our attention to assessing the degree to which the interviewees felt that the CCT initiatives assisted expatriates in adjusting to the host location and surviving the assignment. Support for adopting expatriate CCT was not universal among the participant organisations. Close to 50 % failed to provide any formalised training for expatriate assignees. These MNCs noted that the time element posed a serious hindrance to the implementation of pre-departure CCT practices. Participants also pointed to the sporadic nature of such assignments.

> We don't train the individuals. Usually it's to do with time more than anything and our numbers aren't absolutely huge. Normally we'd have six weeks, if even six weeks, for somebody going overseas…. their job here has to be replaced as well so they have to train somebody up more than likely here. There really isn't time to do a formal training.
>
> (Fin 1, Assistant Manager, HR)

Commenting that this approach had previously worked fairly well for them, the interviewee also noted:

> There isn't really a huge requirement for it, nobody has come back saying, "O, we should have formal training for people going out" because the people know their jobs and they're going out for a specific skill, they are going out there to relate that skill back out there.
>
> (Fin 1, Assistant Manager, HR)

A similar response emerged from other MNCs that acknowledge they do not provide expatriate training for incumbents.

> Our areas are quite specialised and really people who are going out would be at a very, very senior level. So training wouldn't really be a requirement at that particular level.
>
> (Userv 1, HR Specialist)

> There is no training for going abroad. If they've any problems they tend to come back to us with the problems but there's no training in place. They've been doing this for over thirty years so it's worked, whatever they're doing it works very well but it's just that they haven't said that [expatriates would feel they had benefited from training].
>
> (Cons 1, HR Manager)

> The reason we don't do that is we are specifically looking for people who have the experience and who have the expertise. As on occasion we have been asked to organise an assignment for the next day, we don't have time.
>
> (Userv 2, Managing Director)

There was some degree of scepticism among some of the participants with regard to the possibility of they being able to sufficiently train someone for the overseas experience.

> It's very difficult; you can't really train somebody or give them any sort of training as regards cultures. What do you train, what do you include in your training? A culture is something that somebody will go out and embrace and they will either enjoy it or they won't grasp it and to be honest with you we haven't had any situations of the latter…so generally we haven't really felt there's a need….
>
> (Userv 1, HR Specialist)

Finance 3 echoed these sentiments remarking that:

> Pre-departure training would have to be very generic to cross the cultures and if it's that generic, I don't know how useful it is and I would think arrival training is more specific and more useful.
>
> (Fin 3, HR Management Team)

This was not a universal view however. Finance 2, for example, recognised the value of providing some culture-specific training. In the course of the interview, this informant explained that some of the training may take place in headquarters and so the individual travels back to Ireland to receive some instruction relevant to his/her overseas posting. However, where cultural issues are involved, the organisation proposes localised CCT as more beneficial. To this effect, the training offered was specifically focused on the location to which the assignee was situated.

> The one thing we would have noticed is that for certain pieces of training, they're better off going locally than coming back to Ireland and probably the best example of that would be in Connecticut. We do design our own management programmes here but because a lot of it is localised to the Irish or the UK situation, it's of more benefit for the staff members to attend a programme on the same subject but just with the cultural difference of having been in the US instead of in Ireland or the UK. It helps them adjust better, it helps them localise their knowledge and has a more relevant impact. I think that if we were looking most probably at the US I think that there's a cultural difference, certainly in terms of leadership and leadership style between Ireland and the US so in order for her/him to progress if they're leading an American team, they're better to go and do a leadership development course that allows for that cultural difference.
>
> (Fin 2, Head of Learning and Development)

This was echoed in responses from those who employed CCT as they highlighted the possible benefits to be secured from adequate preparation. Illustrative of this point are the following contributions:

> Preparation, it's the classic. You know if you fail to prepare, you prepare to fail so by preparing the staff member and giving them the proper tools that they need and the skill awareness that they need for their role, it ensures that they can hit the ground running when they get there plus in terms of building their own confidence for going to work with the new team that they feel that they have the benefit and I'd say thirdly that they've integrated with people that they probably are going to end up working a lot with…so it's relationship building as well as everything else.
>
> (Fin 2, Head of Learning and Development)

> It gives them a better understanding of what to expect when they get there, the more that they understand before they go, the more of a chance there is that they will settle into living abroad and into the lifestyle or the job they go into when they get there.
>
> (Air 2, HR Specialist)

> One key benefit of providing such training, is probably familiarity with the host country…that people would get comfortable and familiar with it and two, primarily that the employee is happy and eased into the culture as quickly as possible and its got benefits for the company on the whole so it's really about a smooth transition.
>
> (Food 1, HR Manager)

One finding that is especially interesting here is that, regardless of whether they actually engage in CCT or not, all respondents agreed that expatriate training is a

valuable and important organisational activity. The merits as perceived by those who employ cross-cultural training techniques have already been articulated; however, those who did not engage in formalised training programmes also showed an awareness of the potential benefits that such an approach would give to their organisation.

> If we had the time I think it should be done, it would be of benefit. It definitely would help to prepare them a lot more going out but the time it doesn't allow for it…If we were to start tomorrow again and if we had 50 people going out in three months time we could organise something formal then and I could see how it could be of benefit definitely.
>
> (Fin 1, Assistant HR Manager)

> As a HR professional, there's always a benefit to training…I know that there is, there's always a benefit from that side of things. But they do believe, I suppose they feel that it's working… why fix it.
>
> (Cons 1, HR Manager)

In summary, while several of the MNCs in our investigation failed to implement any formalized CCT interventions, there was a universal awareness of the potential value of such an approach. The main reasons offered for not implementing a CCT programme were the short-term pressures associated with many international assignments and the sporadic nature of some of the intercultural transfers. Another commonly cited reason was the seniority of the staff undertaking these assignments which may be regarded as an excuse in some quarters as seniority does not always guarantee the requisite skills and competencies to complete the task in a new market.

Conclusion

There is no doubt that the global financial crisis has left many casualties in its wake and that those who have managed to survive will likely have experienced dramatic fiscal rectitude to reduce operating costs across the board. However, although key economic indicators suggest that a period of renewed growth and development is emerging, there remains an urgency to ensure that organisations do not suffer what has been described as "corporate anorexia" arising from the deep cuts that have been implemented and the likelihood of many organisations not having the expatriate management "bench strength" to take advantage of the opportunities that arise with the recovery (Jim Sillery, Global HR Consulting firm, quoted by Woodward, SHRM [34]).

Arising from internationalisation, we are witnessing labour mobility on a global scale, underscoring the importance of preparing a talent pool of expatriate managers for international roles in more challenging and culturally diverse arenas. This talent question has been referred to as the dominant human capital topic of the early twenty-first century [35]. And where effectively developed, deployed and networked, it is proposed as one of the critical capabilities that will distinguish successful global firms both now and in the future [36, 37]. Training in an increasingly shrinking, highly interdependent world is, Landis and Bhagat [38] noted "no longer a luxury, but a necessity that most organizations have to confront in a

meaningful fashion" (p. 7). However, despite a number of often cited advantages attaching to the implementation of CCT programmes in preparing expatriate employees, research indicates that the amount of training undertaken can be modest. Arising from this, in this chapter, we sought to explore the use, role and perceived value of expatriate CCT in developing an international staff in recently internationalised Irish-owned MNCs. Drawing upon qualitative data from in-depth interviews conducted in twelve Irish MNCs, we unearth what is best described as an uneven approach among MNCs to the provision of such training largely arising from the urgency associated with many international assignments and the sporadic nature of these transfers.

Thus, while international assignments remain a key dimension of firms' internationalisation efforts, the question remains to what extent sufficient attention is being focused on preparing employees for these critical roles. The recent "Talent Mobility 2020" report [39] paints a less than optimistic picture in this respect. Their data suggest that many respondents have failed to address the long-term trend towards globalisation in their talent management programmes; some 65 % acknowledge that their organisation lacked standard policies for managing the careers of international assignees. Our qualitative account here of recently internationalising multinationals provides some further discussion points in this respect. From an historical perspective, a limited emphasis has been placed on CCT, primarily due to concerns associated with cost, timing and the dynamics of the international assignment. Our interviews with these MNCs point to time constraints and a perceived lack of any major requirement to do so as the key factors limiting the use of CCT, along with the sporadic nature of the expatriate assignments being undertaken, suggestive of what may be characterised as a somewhat diffident emphasis on CCT as part of the internationalisation process among these organizations. In situations where they occur, CCT interventions appeared to be relatively well developed and were viewed as an important phase in expatriate role preparation. The MNCs that provided pre-departure training undoubtedly saw this as a necessary part of the expatriation process. Some MNC that did not engage in formalised pre-departure training did adopt post-arrival techniques, primarily as they felt that it facilitated faster adjustment or believed that training on site was more appropriate as it allowed for contextualisation to the circumstances of the local facilities. However, the fact remains that many MNCs did not provide any formalized interventions in CCT, despite acknowledging its likely value to the development of their talent pool of interculturally competent expatriate managers and to their overall internationalisation efforts.

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Psychological Contract Breach and Violation: The Case of Temporary Workers in Vietnam

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Abstract This chapter looks at workers' perceptions of psychological contract (PC) breach by their employers, and also assesses whether this perception will cause them to experience feelings of contract violation. Although the concept of PC is paramount in explaining the employer-employee exchange relationship, it is a virtually unknown issue amongst HR managers in Vietnam. Moreover, in the last years, the educated workforce in Vietnam, with at least a college degree, has entered the labor market with short-term employment contracts and precarious employment conditions. The aim of this study is to assess the extent of the perception of PC breach and violation amongst these type of workers. An online questionnaire was administered to a sample of 106 workers holding a higher education degree and having short-term employment contracts in Ho Chi Minh City in 2012. The findings showed that these workers experienced a breach in their PC, revealing that their employers failed to fulfill the promises made to them and consequently experienced negative feelings that resulted in in PC violation. This study is the first attempt to explore the concept of PC breach and violation in a cultural and organizational context relatively unknown such as the Vietnamese one.

Introduction

Organizations are now forced to adapt rapidly when faced with business dynamics which involve constant and unpredictable changes [1]. To rapidly deal with changes, employers choose, along with other solutions, to directly hire or to outsource temporary employees, expecting to gain more flexibility. This peripheral labor force is expected to handle long or short-term work projects with the

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same loyalty and commitment of the core labor force, but without the fixed costs associated with permanent employees [2, 3]. In Vietnam, in 2010, nearly all of the companies were planning to downsize by more than 40 % the number of core employees [4]. Moreover, there has been a large number of highly educated workers entering the labor market with temporary or short-term contracts [5].

Hence the Vietnamese context seems to fit the reality long described by Robinson [6], where increasingly competitive markets and a strong focus on short-term profits are responsible for the end of the traditional employment relationship, where employees exchanged hard work and loyalty for job security (relational in nature) and a good salary. The widespread of layoffs, reorganizations and restructurings, which have resulted from the competitive market pressures, have left many employees disillusioned and cynical [7], feeling unsure about job security, and consequently displaying less organizational loyalty and placing less trust in their employers' promises [8].

The psychological contract (PC) has been used as a framework to examine and make sense of the changing relationships between employers and employees. It is often defined as an individual perception about what is owed and received in the employment relationship by each constituent of the contract [9–11]. Moreover, the issue of PC non- fulfillment is vital to ascertain its consequences for the employer-employee relationship. Research has consistently shown the negative effects of PC non-fulfillment on this relationship [6, 8, 12–14].

To sum up, the goals of this study are twofold: (1) on the one hand, it examines whether the perception of unfulfilled promises, by temporary Vietnamese workers with a university degree, results in PC breach or not; (2) on the other hand, it assesses whether the perceived breach leads to PC violation or not.

The Psychological Contract and Its Breach and Violation

The PC refers to an individual's subjective beliefs [15, 16] on the mutual obligations between him/her and the employer's organization [17]. It can be defined as an individual perception about mutual exchanges in the employment relationship and, as such, it is perceptive, subjective, and idiosyncratic in its nature [9–11]. An important aspect of this concept is that it can be continually re-negotiated, changing with the individual's and organization's expectations, and with shifting economic and social contexts [18].

The PC looks at how people fulfill their human needs when performing their job [19]; it also reduces uncertainty and offers employees a greater sense of predictability, security and control [20]. Additionally, it helps to predict the type of attitudes and behaviors employers will get from their employees and the rewards the employees will get from investing time and effort in the organization in exchange [21, 22].

The PC includes specific obligations based on promises made between an employer and an employee [23]. The PC content has been operationalized in three

ways: (1) in specific terms, focusing on the mutual obligations that individuals hold regarding what they owe the employer and what the employer owes them; (2) as composites, where groups of items are combined to create scales or indices characterizing the content of the PC; (3) and as nominal classifications, appraising the PCs as "relational" or "transactional" in its nature [24].

The transactional PC is seen as a set of perceptions that emphasize specific tasks and time frames rather than extended relationships between the two parties. This type of contract is characterized by mutual obligations that are considered to be essentially "economic" [25]. It is characteristic of highly competitive organizations and labor markets that value labor flexibility, and where employees are likely to exchange their competencies and skills for monetary rewards and economic benefits [20]. A PC with transactional characteristics usually contains two features: a narrow scope and a short term duration.

The relational contract, on the other hand, is less tangible and its terms are less defined. It is characterized by the obligation, on the employee's side, of loyalty to the employer, and, in return, by the employers' obligation of providing job security, a fair pay, and training and career development opportunities to the employee. Thus, a relational contract entails not only transactional elements, but also characteristics of a long-term relationship, and of socio-emotional obligations, namely commitment and trust between the two parties [20, 21, 25]. Two typical features characterizing the relational nature of this contract are stability and loyalty.

Hence one of the requisites to understand the employment relationship, when using a PC framework of analysis, is that it should be regarded as a mutual agreement between two parties with reciprocal obligations. Thus, it is essential that the PC is fulfilled by both parties in the relationship, otherwise there will be the perception of unmet promises and of PC non-fulfillment [6, 8, 13, 14]. Usually, the non-fulfillment of the PC takes place when the employees perceive that the employer's organization is failing to meet their obligations while they are fulfilling their part of the deal [26].

Morrison and Robinson [27] studied the phenomenon of PC non-fulfillment mainly from the employee's point of view regarding their employer's fulfillment (or not) of the exchange terms. The authors made a distinction between breach, the cognitive perception of a discrepancy in the PC, and the emotional reaction to the perceived discrepancy, which is the violation.

According to Morrison and Robinson [27: 230] the "perceived breach refers to the cognition that one's organization has failed to meet one or more obligations within one's PC in a manner commensurate with one's contributions". Robinson and Morrison [12] presented two causes for the perception of PC breach: reneging and incongruence. Reneging refers to the impossibility on the part of the organization to meet an obligation in spite of acknowledging that the obligation is real; while the incongruence occurs when both the employee and the organization hold distinct understandings about whether a specific obligation exists or about the nature of a given obligation. The authors verified that a perceived PC breach is more often related to reneging, that is, to situations "where the organization is either unable or unwilling to fulfill promises to an employee" [12: 541]. In this

study, the perception of PC breach was mitigated when the employees had been involved in structured socialization processes.

Moreover, PC non-fulfillment is likely to be associated with negative attitudes and emotions on the part of the individual toward his/her organization [28]. There will be a lessening of loyalty [9, 29], and an erosion of trust [8], which have been theoretically and empirically linked to negative emotions, such as revenge [6]. Extensive research shows that the PC breach has several negative effects on the employees' attitudes and behaviors such as a reduced perception of organizational support [30], reduced levels of organizational commitment [26, 31], and also perceptions of distributive unfairness and organizational injustice overall [12, 20, 27, 32].

Conversely PC violation is the emotional response to contract breach in the form of anger, betrayal, and frustration [12]. Violation is partially caused by change, which causes conflict and insecurity due to the emergence of a new employment relationship [33]. The more intense the breach the more it will result in a feeling of violation [27]; however, perceived breach and violation are distinct constructs [12]. In their study of 2000, Robinson and Morrison noted that the feelings of violation were more acute when employees both attributed the breach to intentional reneging by the employer and also experienced an unfair treatment in the process.

The outcomes likely to arise from the perception of a PC violation include reduced job satisfaction, increased turnover, decreased feelings of obligation to one's employer, reduced willingness to participate in organizational citizenship behaviors, decreased work performance and organizational commitment [6, 8, 14, 26, 31, 34], and decreased trust [8]. The findings of the study conducted by Suazo and Stone-Romero [35] are consistent with a model positing that PC breach leads to feelings of violation and this, in return, leads to negative work behaviors and attitudes.

Summing up, the concept of PC has been used as a framework to examine and make sense of the changing employment relationships. The PC helps both parties in an employment relationship to regulate behaviors and expectations, to fulfill some gaps in the formal employment contract, and also provides individuals with a sense of influence in certain events and with a feeling of job security [9, 36]. The perception of PC breach and violation is also crucial because when it occurs it has a negative impact on the individual's behaviors and attitudes, especially by reducing their levels of commitment, trust and job satisfaction; and by increasing their intentions to leave the organization whenever they perceive alternative employment opportunities in the labor market [6, 8, 13, 14].

The next section discusses the differences between permanent and temporary employees regarding the nature of the PC and its breach and violation.

Temporary Workers and the Psychological Contract

Most studies address the issue of the PC from the point of view of the permanent workforce. What about those workers who join the organization with the expectation of a short-term relationship? Will those temporary workers experience the PC,

and its breach and violation, in a distinctive manner from those employed by the organization on a permanent basis?

The definition of temporary employment is not clear-cut because the category of temporary workers is not a homogenous one [37]. McLean Parks et al. [38] also point out the difficulty in creating a satisfactory definition for what they designate as contingent work or non-traditional employment relationships, and underline the diversity of terminologies that exist within each country. According to McLean Parks and collaborators the "contingent workforce consists of any worker that does not have either an implicit or explicit understanding that employment will be continuous or ongoing" [38: 701]. Therefore, temporary work compares to contingent forms of employment which usually relate to non-standard employment contracts and the absence of expectation of long-term or continuing employment [37, 38].

For the purpose of this research, a temporary worker is defined as a short-term or contingent employee who is hired on a fixed-term contract and/or until the completion of a work project, after which the employer is legally obliged either to convert the temporary contract into a permanent one or to end the employment relationship [39].

Marler and colleagues, quoted in Guest [37: 5] established a distinction between four types of temporary workers based on two dimensions: (1) the preference for temporary work; (2) and the level of skills and knowledge held by the workers. The authors distinguished between these four types along these dimensions. The boundaryless worker has high skills/knowledge and a high preference for temporary work; the transitional worker has high skills/knowledge and a low preference for temporary work and looks at temporary work as a transitional employment option; the traditional worker has low skills/knowledge and a low preference for temporary work; and, finally, the permanent temporary has low skills/knowledge and a high preference for temporary work. Whether an employee holds a preference for a temporary work arrangement and possesses a high level of skills and knowledge seems to make a difference in the increasingly changing labor market in a globalized economy. Hence Guest [37] signals the need to distinguish between different categories of workers, especially between knowledge workers (with a high employability) and other categories (e.g. unskilled workers).

The nature of the employment contract and its duration have been found to shape the PC content [20, 25]. Following Rousseau rationale [20, 40], that the status of the employment contract may affect the PC content, empirical studies have supported this link between the two types of contract: relational or transactional. Socio-economic research has provided convincing evidence that the employment conditions of temporary workers are less satisfactory than those of permanent ones: temporary workers earn less, have less access to fringe benefits [41], and experience difficulties in getting their voice heard or in raising criticism [42].

In this regard, the study by McDonald and Makin [43], conducted with a sample of staff employed in the hospitality sector, showed that there was no significant difference between the permanent and non-permanent staff in terms of the PC content. Hence temporary workers in this study did not have more transactional contracts than the permanent workers. The non-permanent workers scored significantly higher on the relational item of career development comparatively to the

permanent workers. Additionally, in spite of presenting lower levels of continuance commitment, the non-permanent staff presented significantly higher scores on the measures of affective and normative commitment, and also higher levels of job satisfaction in comparison to the permanent staff. The authors offer one possible explanation for these counter-intuitive results, which is related to the phenomenon of "anticipatory socialization" [43: 89]: "the observance and commitment to the norms, symbols, and rituals of desirable groups is often higher among those just outside, but wishing to join the group, than it is among the established members".

In the same vein, a study conducted in the Portuguese context [44], with a sample of both temporary and core workers from a telecommunications company (call center workers) and an electrical cable factory, highlights the concept of voluntariness in terms of employment status and its satisfaction with that. Chambel and Castanheira [44] conclude that when the temporary workers do not wish to hold a precarious employment status, they hold a more socio-emotional and a less economic employment relationship, very much alike that of the core workers in the sample.

Similar results were obtained by Saunders and Tornhill [45] in a study that addressed forced employment contract change for some employees in one organization. In spite of being forced to accept temporary contracts, a substantial number of those workers, that had also a low preference for temporary contracts, still felt that the nature of their PC was relational. Moreover, there were evidences of possible breaches in the PC of these temporary workers, in particular with regard to interpersonal treatment issues [45].

Most times, workers accept a temporary work status for employability and career development motives, including the opportunity to learn from different jobs and organizations, and/or to explore the labor market and future career opportunities [46]. By working as temps, they are able to extend and enlarge their knowledge and skills, thereby enhancing their future employability in the labor market [43, 47].

In view of this, it is likely that the ideal PC of the temporary worker will be very similar to that of the permanent one [48], and that they also experience some level of PC breach and violation. For instance, the study by Scheel et al. [49] that analyses the impact of HR practices, such as training and performance related-pay, and its effects on PC fulfillment, proves the relevance of HR practices on the perception of PC fulfillment for both temporary and permanent workers. Interestingly, for both types of workers, training had a stronger relationship with PC fulfillment than performance-related pay. In this study, the permanent workers reacted more strongly than temps to the non-fulfillment of the PC and to perceived inequality in training. This might be related to the fact that temporary workers had shorter tenure in the organizations included in the study and expected the fulfillment of fewer promises by the employer [49].

Moreover, temps who prefer to be permanent workers may aim at a PC with relational entitlements [50], and they may actively seek information on relational jobs and career aspects [51]. In the same vein, Martínez et al. [52] also notice that temporary workers who seek for a long-term relationship with their organizations, even when maintaining a more transactional PC, show a more "relational"

interaction with their employers. In the same way, those who are not forced into temporary employment may seek out transactional exchanges [44, 53, 54].

As happens with skilled workers in other countries, Vietnamese graduates apply to job positions and employing organizations that are suitable with their interests, aptitudes and academic training. However, few permanent jobs are available in the Vietnamese labor market [55, 56], and this seems to be a global trend. For this reason, many young graduates are forced to choose a temporary job expecting to gain the needed work experience and skills that makes them more attractive to potential employers in Vietnam [5].

Considering the literature review, we can conclude that the non-fulfillment of the PC takes place when the employee perceives that the employing organization is failing to meet their obligations [26]. Also, the literature points out that the more intense the breach the more it will result in a feeling of violation [27]. Hence, in this study, the following two hypothesis were formulated using a Vietnamese sample of temps:

H1　Perceived overall contract breach by Vietnamese temporary employees will be more likely to the extent that the employer is perceived as not fulfilling promised obligations.

H2　Perceived overall contract violation by Vietnamese temporary employees will be more likely to the extent that there has been the perception of significant breach of contract.

Methodology

The present study assumes a unilateral view of the PC. This view addresses exclusively the employee's perspective regarding the obligations and promises in the employment relationship, thus limiting the PC to an intra-individual perception and ignoring the employer's perception of this relationship [57]. The bilateral view, which considers both parties, is problematic to assess since the organization is represented by many actors (top management, supervisors, HR officers, colleagues) who do not necessarily communicate a uniform set of expectations [51]. Additionally, this research intends to understand the point of view of a sample of Vietnamese temporary workers with a graduate degree and not of the individuals in a particular company.

Data Collection

A survey questionnaire was used to collect empirical data. To identify if temporary graduates perceived their PC as non-fulfilled by their employers, the questionnaire assessed employer's obligations by asking respondents: "To what extent do

you expect X from the organization?" The items measured the extent to which they felt it was important for the organization to make promises about the provision of 14 employer inducements: high pay; pay based on current level of performance; fringe benefits; promotion; training; job security; career development; support with personal problems; decision-making input; job challenge; feedback on job performance; supervisory support; fairness and justice in personnel procedures; and organizational support [43, 57–59]. The scale ranged from (1) "Not at all" to (5) "Completely". Respondents, then, were asked to evaluate the extent to which their employer was currently fulfilling the promises that were made about the inducements: "How well has the organization fulfilled to provide X?" The scales used were adopted from Rousseau [60] and ranged from (1) "Not fulfilled at all" to (5) "Completely fulfilled". Hence, the response to these items reveals to what extent the promises made have been perceived as kept by the employers. The items were randomly ordered throughout the questionnaire. A scale of PC fulfillment was created using these 14 items assessing employers' obligations fulfillment. The Cronbach's reliability coefficient was 0.925, suggesting a good internal consistency [61].

Additionally, overall PC breach was measured using a composite of five items presented in Robinson and Morrison's work [12], where respondents were asked to indicate to what extent they agreed with statements such as: "Almost all of the promises made by my employer during recruitment have been kept so far". The scale ranged from "strongly disagree" (1) to "strongly agree"(5), and was reversed so that the higher the score, the greater the magnitude of the psychological contract breach [62].

Because of the distinction between PC breach and violation [12], the later concept was also measured. Respondents were asked to indicate, on a 5 point scale, ranging from (1) "strongly disagree" to (5) "strongly agree", how much they agreed or disagreed with statements such as: "I feel a great deal of anger towards my organization". A high score in those items specified a high level of perceived violation [12].

The overall PC breach and violation scales also had a good internal consistency, with a reliability coefficient of 0.827 for the former, and of 0.904 for the latter.

The survey questionnaire also gathered relevant socio-demographic information about the respondents such as age, sex, academic qualifications, marital status, and the existence of children. Because of the relevance for this study, job position, job tenure, and business sector were also considered.

Sample Description

The labour market in Vietnam, currently presents an unbalanced structure in terms of education, training and job supply-demand needs: the supply of employees with a bachelor degree and other higher education degrees counts for 86.45 % of the labor pool, whereas the demand is 21.08 %, only one fourth [63].

The survey was posted on HR group websites and organizations' communication pages and sent through e-mail groups during March 2012, in the city of Ho Chi Minh. The personal network of contacts of one of the researchers was also used to help in the dissemination of the survey since the researcher herself had previously worked as a temp. The participants in the study were currently working as short-term contract employees or had worked as temporary employees in the recent past. After excluding the incomplete questionnaires (38), a total of 106 valid questionnaires was used, which constitute the sample for the current study. The survey was distributed online using e-mail and via networks of corporate and personal acquaintances and online HR forums, thus it's not feasible to estimate an accurate response rate.

The sample included 41.5 % males and 58.5 % females. The distribution of participants between the different age brackets included: 86.8 % in the 20–25 years; 10.4 % in the 26–30 years bracket; and 2.8 % in the 30 and more age bracket. Approximately 11.3 % were married, and only 4 of them (3.8 %) had children. The descriptive statistics showed that 83 % of respondents held a bachelor degree, while 17 % of the respondents held a master's degree. None of the participants in the survey held a doctorate degree. This is explained by the respondents' age, most of them were in the group of 20–25 years; therefore, it was unlikely for them to hold a doctorate degree at that age.

Regarding employment status, 52.8 % had worked as a temporary worker once and the other respondents had worked more than one time as a temp. Moreover, 55.7 % of the respondents did not get their contracts renewed, while 23.6 % had renewed once, 17.0 % had renewed twice, and 3.8 % of them had renewed more than two times. Concerning the contract length, 53.8 % of the respondents held a three month contract, and 41.5 % held a six month contract, and the remaining 4.7 % held a contract with another length.

The participants in the study worked in different sectors, such as commerce (33.0 %); services (32.1 %); industry (18.9 %); education (14.2 %) and other sectors (1.9 %). Regarding the job position occupied in the employing organizations: 28.3 % worked as an intern, 49.1 % held a non-managerial position, 15.1 % worked as a manager assistant, 6.6 % as a manager and 0.9 % fell into other categories. Most of the respondents remained in their position for 3–6 months (41.5 %), while 20.8 % worked in the organization for less than 3 months, 19.8 % worked there for 7–12 months, and 12.3 % worked in the organization for 1–2 years. Only a small percentage worked in the organization for more than 2 years: 5.7 %.

Results

A comparison between the expectation and the actual fulfillment of the employer's obligations was conducted. In Table 1, a comparison can be seen among mean scores of expected employer obligations and how well the employer has actually fulfilled those obligations.

Table 1 Comparison between expectation and real fulfillment of employer's obligation

Items	Expectation (E) mean	Expectation (E) Std. Dev.	Receive (R) mean	Receive (R) Std. Dev.	R − E
High pay	3.70	1.088	2.35	1.060	−1.35
Career development	3.84	1.156	2.61	1.151	−1.23
Fairness and justice in personnel procedures	3.97	1.009	2.76	1.167	−1.21
Organizational support	3.70	0.907	2.63	1.081	−1.07
Feedback on performance	3.66	1.032	2.62	1.150	−1.04
Pay based on performance	3.60	0.983	2.58	1.218	−1.02
Job security	3.35	1.147	2.44	1.139	−0.91
Promotion	3.16	1.402	2.27	1.246	−0.89
Training	3.37	1.045	2.51	1.311	−0.86
Fringe benefits	3.43	1.258	2.58	1.308	−0.85
Supervisory support	3.66	0.985	2.90	1.137	−0.76
Decision-making input	3.26	1.081	2.51	1.106	−0.75
Job challenge	3.50	1.017	2.78	1.171	−0.72
Support with personal problems	3.15	1.111	2.46	1.140	−0.69

An analysis of the items revealed, in general, that the employer failed to fulfill his obligations with the employees, especially regarding payment issues, career development, and issues generally related with support (feedback, fairness and organizational support).

One of the reasons for the employer to use temporary workers is linked to the need for more labor flexibility in changing economic circumstances. Therefore, this type of employment contract is useful when the workload is substantial and easily comes to an end when it's not [64]. Thus, employers have little intention of giving any career development to those employees who are expected to leave the organization when they are no longer needed. Similarly, due to the short length of the contract and to the uncertainty regarding job entitlements and work roles, it seems that temps have less time to adapt to their job description, so they do not have time to develop the needed skills and knowledge.

The participants in this study also expected to be supported by the organization and be treated with fairness and justice, as happens with permanent employees in other studies [12, 20, 27, 32]. Moreover, temporary employees seemed to have very low expectations concerning employer's support with personal problems.

The PC is closely related to organizational justice perceptions, specifically the individual's assessment of procedural fairness [32]. Organizations, especially those undergoing change processes, should consider employee's perceptions of procedural justice because of their relevant role in the employee's evaluations of PC breach and violation [45].

According to several PC researchers, we should evaluate the PC breach by using all scale items and not by using single item measures [8, 12, 60]. In line with this approach, perceived breach and violation will be evaluated in a global scale (the overall PC breach and the overall PC violation scales).

Because demographic variables might have effects on the PC (e.g. [33]), they are considered as control variables, therefore the first step is to convert the categorical variables (e.g. sector, number of times working as temp) into dummies, hence they are entered as predictors of dependent variables. When checking the correlations between independent and dependent variables, the former showed a significant relationship with the later. Also, the correlation between each of the independent variables is less than 0.700 [61]. These two criteria were met in order to avoid the occurrence of multicollinearity.

Hypothesis 1 states that the level of PC fulfillment will produce a negative effect on overall perceived breach. To test this hypothesis a hierarchical regression analysis was performed. When checking the correlations, the number of times working as temp correlates with overall perceived breach ($r = 0.223$, $p < 0.05$). The result of this regression is presented in Table 2.

The total variance explained by the model, as a whole, was 17.4 % [$F (2, 103) = 10.83$, $p < 0.001$]. Namely, the number of times working as temps plus the fulfillment measure predicted to a statistically significant degree the dependent variable scores. Hence, when controlling for the socio-demographic variables, the level of PC fulfillment has a negative effect on perceived breach. In other words, the PC will be perceived as breached when the employees assess that the promised obligations from their employers were not fulfilled. Consequently, hypothesis 1 is supported. In the coefficients model (Table 2), the PC fulfillment measure was statistically significant ($\beta = -0.358$, $p < 0.001$) to the equation but "number of times working as temps" was not.

Table 2 Results of hierarchical regression analysis for overall PC breach

		Step 1	Step 2
Step 1	Number of times as temp	0.223[*]	0.160
Step 2	PC fulfillment		−0.358[**]
	F	5.467[*]	10.832[**]
	df1	1[*]	1[**]
	df2	104[*]	103[**]
	Change in F	5.467[*]	15.438[**]
	R^2	0.050[*]	0.174[**]
	Change in R^2	0.050[*]	0.124[**]
	Adjusted R^2	0.041[*]	0.158[**]
	N	106	106

[*]$p < 0.05$; [**]$p < 0.001$

Hypothesis 1 is also corroborated by the literature, that is, as predicted by Robinson and Morrison [12] employees were more likely to perceive that their PC had been breached when their employers had been performing poorly in fulfilling their promises.

Considering hypothesis 2, it is posited that the level of perceived breach will have a positive effect on the perception of contract violation. Checking the correlations in Appendix 1, among the socio-demographic, only gender, number of times working as temp, and sector (specifically commerce) correlate substantially with Overall PC Violation ($r = 0.266$, $p < 0.01$; $r = 0.230$, $p < 0.05$; and $r = 0.247$, $p < 0.05$). The result of this regression is presented in Table 3.

The total variance explained by the model, as a whole, was 40.8 %, [F (7, 98) = 9.654, $p < 0.001$]. Therefore, the combination of variables to predict PC violation, including socio-demographic data, and the perceived breach were statistically significant. Consequently, hypothesis 2 is also confirmed.

In the coefficients model (Table 3), the overall PC breach scale and gender were statistically significant, with the breach scale recording a higher beta value ($\beta = 0.506$, $p < 0.001$) than gender ($\beta = 0.196$, $p < 0.05$). This result might be interpreted as that under the control of socio-demographic variables, the level of perceived breach in the PC and gender will have a positive effect on violation.

In other words, the employees in this study will experience an emotional violation whenever their PC is perceived to have been breached. This finding concurs with the studies of Robinson and Morrison [12] and Suazo and Stone-Romero [35]. In Robinson and Morrison's study [12] the authors were able to prove that perceived breach and violation are distinct constructs and that the breach usually signals and precedes the occurrence of violation.

Table 3 Results of hierarchical regression analysis overall PC violation

		Step 1	Step 2
Step 1	Number of times as temp	0.186	0.077
	Gender	0.239*	0.196*
	Sector (industry)	0.127	−0.021
	Sector (commerce)	0.355	0.096
	Sector (service)	0.069	−0.113
	Sector (education)	0.046	−0.039
Step 2	Breach		0.506**
	F	3.631*	9.654**
	df1	6*	1**
	df2	99*	98**
	Change in F	3.631*	37.713**
	R^2	0.180*	0.408**
	Change in R^2	0.180*	0.228**
	Adjusted R^2	0.131*	0.366**
	N	106	106

$^*p < 0.05$; $^{**}p < 0.001$

The results for gender are consistent with the idea that this variable appears to be an important one to the study of the PC [65]. The relationship between breach and violation has been recently said to be under the influence of age [66], but age was excluded from the analysis due to the issue of multicollinearity. The reason could be that a large part of the sample was in the same age bracket: 20–25 (86.8 %).

Discussion and Conclusions

This study shows the relevance of the PC breach concept for understanding the attitudes and behaviors of temporary employees in Vietnam [38]. Similarly to permanent employees, temps, specifically those who have a university degree, do perceive breach when they acknowledge that their employer fails to fulfill his/her promises. Furthermore, they also experience violation due to the perceived breach. Thus, the current findings add to a growing body of literature on PC breach and violation, especially by addressing the concept in a relatively unknown cultural context such as the Vietnamese one.

Therefore, what the current study proves is that the PC held by temporary workers is much more similar to the one held by permanent workers than would be initially expected. In this regard, our findings corroborate other studies [31, 43, 44, 48] that underline that there are few differences between categories of employees (permanent and non-permanent) regarding this type of contract.

Moreover, these results seem to contradict Guest's [37] rationale that knowledge workers would prefer a non-permanent employment relationship due to their higher levels of employability in the labor market. In this study, it seems that being a knowledge worker, or at least holding a university degree, does not guarantee a stable employment contract, additionally these skilled workers also perceive PC breach and violation.

In this regard, Bellou's findings [67] suggest that employees holding more years of education are more likely to expect positive outcomes from their employers. This is particularly true in the case of those having at least a university degree, and who feel confident in themselves and in their ability to contribute to the organization, or that might overestimate their contributions [68], and expect more in exchange. Hence, hiring this type of employees presupposes that the organization is willing to offer more in order to enhance their job satisfaction [49, 69]. For instance, the study by Scheel et al. [49] highlights the importance of job training to perceived PC fulfillment for both categories of workers: temporary and permanent.

The PC is a new concept to the Vietnamese context, and this study constitutes a first attempt to shed some light on the relevance of the construct for Vietnamese employees. Given that, and the benefits of understanding the PC for dealing with mutual employment obligations, this study gives a considerable contribution to human resource management policies and practices in Vietnam. As an initial HR recommendation for Vietnamese organizations, in the recruitment interview, the clarification of mutual obligations between the employer and the employee will

avoid any misunderstandings or false expectations regarding the employment relationship. Consequently, the occurrence of PC breach and violation will be diminished if mutual expectations are known from the beginning, which might reduce the occurence of deviant behaviors, absenteeism and/or the intention to leave the organization [29, 70].

Limitations and Recommendations for Further Research

This study focused solely on temporary employees who had a university degree. Therefore caution must be taken when generalizing these results to other types of employees or other national contexts. Another limitation was that the respondents volunteered to participate in the study, which might mitigate the study's generalizability. Its cross-sectional nature also limits the ability to infer causality between variables [65].

Although the PC of temporary employees in this study has been carefully observed and assessed, it is advisable to make a comparison between permanent and temporary employees with a similar educational background to have a more equivalent view.

Additionally, in this study, gender played the role of control variable in the relationship of breach and violation. The existing literature has mostly examined gender as a control variable in an attempt to rule out any potential influence on the employee's perceptions [13]. An interesting line of research in the future would be to find out if there are significant PC differences between female and male employees.

Also comparing older and younger workers, or workers with shorter or longer tenure in the employing organization [49] could shed further light on perceptions of PC fulfillment and its breach and violation.

Finally, whether distinct levels of PC fulfillment relate differently to PC violation is still unknown [71]. Therefore, future research addressing this issue is worth being pursued. In this regard, an important research line concerns the differences in PC patterns across cultures [72]. Cultural values seem to influence how employees perceive mutual obligations and promises in the employment relationship. In the study by Thomas et al. [72] relational PCs (typical of collectivist cultures) were more sensitive to some types of contract breach than were transactional contracts.

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HRM and SMEs: Contextualizing Significance, Neglect and Meaning in an International Context

Brian Harney

Abstract While it is increasingly acknowledged that HRM is critical to international competitive success, debate has rarely extended to encompass small–medium-sized enterprises (SMEs). This chapter presents economic, ideological and practical arguments for examining SMEs, while also exploring reasons for their relative neglect in HRM research to date. The second section of the chapter provides an overview of the various and contested definitions of both HRM and SMEs. In so doing, it highlights the merits of broader, culturally sensitive, all-encompassing definitions in the form of analytical HRM and smaller firms. Overall, it is clear from the chapter that the international footprint of SMEs is significant, growing and deserving of greater recognition and research focus. Better understanding the significance, neglect and meaning of HRM in SMEs may facilitate with this task.

Rationale

While it is increasingly acknowledged that HRM is critical to international competitive success, debate has rarely extended to encompass small–medium-sized enterprises (henceforth SMEs). The domain of international competition is not reserved for MNCs, but rather is also populated by a number of smaller organisations founded upon exporting, international service provision and forming critical parts of global value chains. The Internet and Web 2.0 have offered a further platform for smaller players to compete on a global scale. Consider WhatsApp, an organisation with 55 employees which had achieved massive market penetration in developing countries prior to its $19 billion purchase by facebook. As an indication of the neglect of SMEs, a review of six international employment-related

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journals over a ten-year period (1997–2006) reveals that of the 1,797 articles published only 52 (2.9 %) dealt specifically with smaller firms. Moreover, claims of '*growing awareness*' of the small firm [1] do not find support, as the last five years actually witnessed a decrease in the number of small-firm articles published (see Table 1) [2]. Splitting the decade of journal content into two 5-year periods (1997–2001, 2002–2006) provides a rough means to judge the extent of progress. In the HR journals, 28 articles on small firms were published in the period 1997–2001, while 24 articles on small firm were published in the latter 2002–2006 period. To provide an accurate account, these figures were weighted against the total number of articles published in each respective period (917 and 880) indicating that from 1997 to 2001 3.05 % of articles published in the HR journals related to the small

Table 1 Macrocontent analysis of journals

	Number of small-firm/SME articles in mainstream HR/IR/ER journals						Number of HR-related articles in small-firm journals		
	BJIR	HRMJ	IRJ	ER	PR	WES	ETP	ISBJ	JSBM
1997		1		1		1		2	2
1998				3	1	2	1	1	1
1999				10*				3	1
2000			1	1	1	2	10*	1	1
2001	1					3			2
2002		2	1	1	2	1		2	
2003	1	3		1	1	1	2	1	
2004			1	1	1			2	
2005			1				1	3	1
2006		3	1	1		1	1	2	2
N=	2	9	5	19	6	11	15	17	10
N as % of total articles published	0.8 %	4.1 %	1.6 %	5.8 % **(3.0 %)	2.1 %	2.7 %	5.5 % **(2.2 %)	8 %	3.1 %
Total articles	52 articles on small firms out of 1,797 articles published = 2.89 %						42 HR-related articles out of 799 articles published = 5.25 %		

Key *Special issue; **Excluding special issue

Journal Key BJIR British Journal of Industrial Relations, *HRMJ* Human Resource Management Journal, *IRJ* Industrial Relations Journal, *ER* Employee Relations, *PR* Personnel Review, *WES* Work, Employment and Society, *ETP* Entrepreneurship, Theory and Practice, *ISBJ* International Small Business Journal, *JSBM* Journal of Small Business Management

Method Journals were selected based on suggestions by Blackburn [1]. The selection is not intended to be representative, but rather to provide a descriptive picture of the nature and extent of contributions. Articles were reviewed based on title or, where this did not provide an obvious indication, by abstract, or again where the focus was not detailed, the allocation decision was made by reference to the methodology section of the article. The terms small firm and HR were understood in a broad sense. Research notes and book reviews were excluded from counts. It was not sufficient for small firms to be simply part of the research sample; to be included, they needed to form an explicit part of the analysis

firm, while in the period 2002–2006 this figure declined to 2.72 % of articles. Likewise, in terms of HR issues in the small-firm journals, 25 HR-related articles were published during the period 1997–2001, while 17 were published from 2002 to 2006. Relative to the total articles published in each period (387 and 412), this means that 6.45 % of the articles in the earlier period (1997–2001) were on HR-related issues, while this figure declined to 4.12 % for the latter period (2002–2006). However, it must be noted that in both instances journal special issues in the former period skew the figures and so the results cannot be seen to indicate a steady flow of articles over this earlier time.

While it is only a rough indicator, it is obvious that the significant proportion of private sector employment accounted for by smaller firms across the globe is not adequately reflected in the research emphasis of key journals dealing with employment-related issues. Blackburn and Smallbone's [3] recent assertion that research on the small firm is now '*a mainstream activity*' therefore seems to find exception in the area of HRM. In support of this point, a browse through the *Oxford University Press Handbook of Human Resource Management* [4] reveals a diverse range of chapters on HRM in various contexts (e.g. manufacturing, public sector, MNCs), while small firms, SMEs, or firm size barely make the index. Contributions in HRM therefore remain extremely skewed to the periphery in terms of firm size, providing little information as to the nature and form of practices, whether labelled HRM or not, adopted in indigenous and/or international smaller enterprises [5].

This marginalisation of the smaller firm is all the more intriguing when one considers the dominance of SMEs. For example, the OECD estimates that 99.8 % of enterprises in the enlarged EU are SMEs [6]. Another calculation estimates that only 250,000 of the 25 million firms in Europe employ more than 250 employees [7]. This significance makes it easy to understand why Gilman and Edwards [8] bemoan the '*acute shortage*' of research exploring human resource (HR) practices in smaller firms. Indeed, it has been recognised that contexts which are not large, private and multinational have been excluded from research [9]. This reality should prompt some scepticism as to the validity of extant HRM theory which takes as its referent HRM interests as they have been articulated in what are *atypical* (i.e. large) firms. Most studies typically abstain from theoretical reflection and perpetuate a large firm bias by either uncritically deploying established research instruments (e.g. 10) or casting the small firm as lacking or deficient if they fail to meet normative ideals [11]. Yet very rarely has the applicability of normative frameworks been assessed, or an awareness of HRM in smaller firms been considered, to inform broader debates [12]. Consequently, '*we are still at the early stages of developing theory in the area of HRM in small firms*' [13]. This task can be aided by more in-depth consideration of the economic, ideological and practical significance of SMEs, exploring reasons for their neglect and finally considering how the terms HRM and SMEs have been understood in existing research focused on this area.

Contextualising the Significance of Smaller Firms

Irrespective of the definition that is applied, smaller firms dominate the industrial landscape so that their numerical and economic importance cannot be overstated [14]. Recent data show that SMEs contribute to over 55 % of GDP and 65 % of total employment in high-income countries [6, 15]. The European Commission [7] acknowledges that small enterprises are the forgotten backbone of Europe's economy and the key to competitiveness providing two-thirds of all private sector employment and 50 % of GDP. Even in countries perceived to be dominated by multinational firms, SMEs play a significant role in economic and social development. For example, in the context of Ireland, one estimate holds that only 750 of the 250,000 private sector firms employ more than 250 employees, with smaller firms said to account for some 60 % of national turnover [6, 16].

Yet rigorously defining small firms and measuring their relative economic contribution has always been difficult [17]. Moreover, there are dangers in using figures in a homogenous and deterministic way. In reality, smaller firms are remarkably diverse in terms of size, sector, activity, ownership, location and the markets they serve [18]. Many firms classified as smaller organisations are not actually 'companies' per se but rather are 'sole proprietorships' with no other employees, while a significant proportion of small firms are family owned. Overall, the small-firm sector is recognised as having '*major national economic implications*' [19]. More indirectly, small firms also serve to disperse wealth and employment and can play a critical role as part of the supply chain and networks of larger firms. This numerical importance of smaller firms as a provider of employment coupled with their material status should mean they are necessarily of interest to those concerned with HRM [20], yet this economic rationale is also buffered by related ideological sentiments concerning smaller firms.

Smaller firms are often viewed as key mechanisms to counter the dominance of big business, thereby sustaining notions of competition and affording space for innovation and risk-taking [20–22]. As captured by the Small Business Forum, '*the health of the small business sector is both an indicator of the condition of the whole economy and a determinant of that condition*' [23]. Deployed in the service of increasing competition and promoting greater economic dynamism [24], smaller firms are the perfect foot soldiers for free market capitalism. This '*small is beautiful*' thesis remains particularly influential among politicians and prominent in ideologies of economic development and discourse on the knowledge economy [25], while the desire to reproduce the perceived ideal characteristics of smallness has also served as fuel for managerial prescriptions (e.g. [26]).

Finally, a practical argument for studying HRM in smaller firms is that the '*strategic significance*' of HRM in contributing to the viability and success of organisations [27] finds added importance in this context; smaller firms tend to be labour intensive, and the additional value added by each individual employee is more transparent and telling. Indeed, sound management of employees can be a critical factor determining the survival and growth of smaller firms [13]. Equally,

the '*resource poverty*' inherent in smaller firms means that they may be particularly dependent upon a motivated workforce, thereby rendering them a favourable context for HRM interventions [28]. However, at the same time, reviews highlight specific deficiencies among owner managers when it comes to managing people [29]. Moreover, while the real cost of HRM per employee may be higher in a small firm than in a large firm, research findings continuously indicate that owner managers identify people management issues as a key concern [30, 31]. How such tensions are resolved is of vital import for both the theoretical and pragmatic validity of HRM.

Contextualising the Neglect of Smaller Firms

While the small firm is revered in academic and policy discourse, as evidenced by literature on core competencies, industrial clusters and innovation, this rhetoric has not been matched by sufficient empirical attention. Efforts to explain this deficiency typically point to obstacles such as definitional complexities, access/data collection difficulties and resource constraints inherent within smaller firms [18, 32]. However, such neglect is not unique to HRM but rather is in part an historical carry-over from the assumptions of earlier workplace studies, as well as being more obviously attributable to the HRM discipline's own normative compulsion to prescribe. For example, by conforming to the doctrine of centralisation and concentration, Marxist-inspired accounts have directed little time to the small firm, viewing them as irrelevant relics from a bygone era [21]. This understanding permeated Marxist labour studies in such a way that small units were rarely taken seriously as sites where the labour process occurred [33]. This view is most directly manifested in the work of R. Edwards who relegated smaller capital utilising '*simple control*' to the status of a '*modern-day periphery*', '*a declining sector, as the large corporations continually encroach on its markets*' [34].

Likewise, the traditional focus of Industrial Relations research on collective bargaining and trade unions afforded little attention to the small firm. An historical path dependency perpetuated the image of a large, unionised manufacturing organisation as the norm meaning that researchers were slow to direct attention towards the domains where small firms were more prevalent, e.g. non-union contexts and the service sector [35]. The turbulent 1970s and 1980s also ensured the focus remained on large-scale expressions of conflict so that the small enterprise was once again ignored [36]. This large firm bias was readily adopted by HRM research which has been similarly hindered by an outmoded concept of what the typical organisation should look like [37]. The historical endurance of these ideas may also be linked to the assumptions underpinning modernism which sees progress inextricably associated with expanding size and complexity so that small firms are relegated to '*backwaters implicitly unworthy of study*' [33]. At the same time, the preference for deductive orientated research, particularly in the USA, and

the absence of readily available datasets on small firms has served to exacerbate their neglect.

In addition to a historical hangover, the inattention to smaller firms also has a more explicitly managerialist and normative undertone in the realm of HRM. Here, much of the neglect can be traced to implicit assumption that the findings concerning HRM derived from larger firms have universal relevance [38]. In the area of HRM, advice to smaller firms has been monotonous in its prescriptions of large firm solutions [39]. Supported by the confidence wrought by a scientific agenda, the well-cited work of Huselid concludes that '*the use of high-performance work practices and good internal fit should lead to positive outcomes for all types of firms*' [40] emphasis added]. Overall, the typical HRM textbook assumes a ready-made, large-scale, bureaucratic corporation [41]. In assuming the seamless transition of HR ideals from large to small firms, prescriptive works suffer from what has been labelled '*little big business syndrome*' [42]. The implications of this are that investigation in smaller firms presents a dilemma for people using traditional HRM paradigms [43].

Contextualising the Meaning of HRM and Smaller Firms

Reaching any definitional consensus of what exactly constitutes either HRM or small firms has been fraught with difficulties, with efforts in both domains separately deemed '*controversial*' (see [17, 44]). As detailed by Katz et al., '*with so many ways to define HRM and the SME, almost anything could be studied*' [43]. Recent content reviews of empirical progress do not offer much by way of guidance. One review of 1,764 articles notes the '*indeterminacy of the term*' [45], while another review of 104 articles finds that '*no consistent picture exists on what HRM is or even what it is supposed to do*' [46]. One way around this dilemma is to use HRM as a broad all-encompassing term (e.g. [27, 47]). This tact has also been used by empirical work exploring HR issues in smaller firms (e.g. [39]). The approach is not without support: one of the founding texts in HRM opened by defining the term as '*all management decisions and actions that affect the nature of the relationship between the organisation and its employees—its human resources*' [48]. Nearly a quarter of a century later, there appears to be a growing consensus for the value of a similar broad and generic use of the term [49]. For example, according to Wall and Wood, '*HRM is a term used to represent that part of an organization's activities concerned with the recruitment, development and management of its employees*' (2005: 430). Of particular utility is the pragmatic concept of '*analytical HRM*' advanced by Boxall and colleagues. This similarly treats HRM in a descriptive manner: '*those activities associated with the management of work and people in firms*' [50]. However, this is accompanied by a commitment to identify and explain what happens in practice, '*taking account for the way that management actually behaves and therefore privileging understanding and explanation over prediction*' [51, emphasis added]. Critics will find difficulty

with such broad brushed approaches, yet at their foundation seems an implicit recognition that '*human resources are strategic to basic viability as well as advantage*' [52].

The term analytical HRM offers three important contributions in understanding HRM in SMEs and in an international context. Firstly, it presents a mechanism for accommodating HRM in small firms as HRM is regarded as a '*fundamental activity in any organisation in which human beings are employed*' [51]. By implication, nearly all firms will have some form of HRM, however informal [53]. Second, the concept of analytical HRM avoids the limitations of approaches which narrowly impose HRM as a preconceived ideal (e.g. a certain bundle of practices), perceive HRM activities as the exclusive remit of an HR department, or treat HRM as a specific universalistic style of people management. The stress, instead, is on the necessity of the process and not on predetermining or dictating the form it will take; '*HRM happens in some form or another*' [51]. This avoids the common problem in much HRM analysis whereby its meaning is exhausted by those who prescribe it [54]. Very much connected to this is the third and important point that analytical HRM moves towards embracing the inevitability of tension and contradiction, and so steps away from a unitarist and normative agenda. HRM so conceived is the practical activity of people management, a '*warts and all*'-type depiction. The power and politics inherent in the operation of employment relationship is acknowledged through the notion of '*plural*' HRM goals and '*strategic tensions*' [50].

This latter point may sit uneasily with some commentators [e.g. 55]. While Kaufman [56] uses an historical analysis to suggest a shared conceptual heritage between industrial relations and HRM as the potential basis for their greater accommodation if not integration, it is not obvious that the authors he cites share his logic. Edwards, for example, while acknowledging that '*HRM is far from being a settled approach*' [57] takes issue with its managerial referent point. Yet while the focus of HRM has traditionally been on management interventions [46], defence for an analytical use of the term comes from an acknowledgement that research *about* management does not necessarily equate with research *for* management [58]. An appreciation of HRM as an ideological intervention need not militate against it also being deployed as a set of analytical ideas. This recognition leaves space for more critical explorations of the nature of managerial intent and potential discrepancies between managerial rhetoric and organisational realities. Ultimately, all research must have some analytical point of departure, and once analysis is open to understanding managerial behaviour in a multifaceted fashion, the harshest criticisms against the concept of HRM may be avoided. The concept of analytical HRM therefore holds much promise, although it is hardly novel. Some thirty years ago, in a nascent AMJ paper on HRM, Dimick and Murray made a particularly pertinent, yet hitherto ignored, observation:

> the question of why organizations decide as they do in various substantive areas is one of intrinsic usefulness. Efforts to take an analytic approach to human resource management can improve our capacity to understand organisational functioning [59].

An analytical approach to HRM complements a research focus on small firms as it lends itself to the consideration of contextual influences. In considering definitions of smaller firms, the most basic common denominator is that they '*are clearly not large*' [60]. Beyond this, one means of providing further clarity is dismantling false perceptions about the small firm. Here, a key point is that not all small firms equate to entrepreneurial start-up firms [see 61]. Many small-firm owners simply inherit or replace an existing, proven form of small business [22]. It follows that the respective contexts of either newness or smallness will each yield specific HR challenges [53]. The limitations of an exclusive '*entrepreneurial perception*' of the small firm are that (a) it fixates attention on the individual '*heroic entrepreneur*' to the neglect of others employed within the firm [36], (b) attention is directed towards certain types of firm and regions (e.g. high-technology firms and silicon valley-type clusters) and away from the small-firm sector as a whole [62], and (c) it leads to the perpetuation of an implicit '*acorn to oak*' assumption concerning the desire for growth [63]. Yet only a minority of small firms achieve significant levels of growth in employment [14] and are purely motivated by the goals of profit and business expansion [64, 65]. For the majority of small firms, the reality often reflects a culture of survival and/or a drive by owner managers to achieve their desired status of independence [66]. It is on such smaller firms rather than '*gazelle-like firms*' that the current research takes as its focus [67]. Such distinctions are likely to be lost, however, as long as the terms entrepreneurial and small business are used interchangeably and indiscriminately [e.g. 68].

Even in the event of greater conceptual clarity, the task of offering a rigorous definition of what actually lies behind the label '*small firm*' is an onerous one. While attempts at sophisticated definitions combine an aggregate statistical definition which varies by sector with additional qualitative dimensions [e.g. 69], this favours local, intra-industry distinctions at the expense of facilitating broader systematic comparisons and considering a larger number of firms [20]. The response to such difficulties has been a recourse to numbers employed as the '*most relevant measure of size*' [70]. One central problem with employment-based, numerical definitions is that actual categories used to distinguish between large and small firms can be somewhat arbitrary. For example, following the criteria deployed in the sample of studies in Table 2, a '*small firm*' could be seen to constitute anything from a firm with 5 employees to a firm employing 500 that may even be a subsidiary of a larger entity.

Extreme variance can also be found within studies. One study examining HRM, while not claiming to be representative, includes among its four '*small*' organisations firms stretching from the microlevel of eight employees to an outer band of 300 [71]. Moreover, numbers also take on a different meaning contingent on national context. Another solution, based on the opposite extreme, is to rely exclusively on grounded, qualitative definitions of small firms (e.g. Holliday 1995). Yet while this approach has the virtue of capturing the relative meaning of size and the heterogeneity of smaller firms, similar to the Bolton Report attempt, it does not facilitate comparative or more systematic research.

Table 2 Definitional criteria used in a sample of HR-related investigations

Authors	Label used	Definition/criteria deployed
Ackroyd [72]	Small firm	No definition specified
		Firms studied ranged from 10 to 75 employees
Arthur and Hendry [39]	Small and medium-sized business units	<500 employees
		Either independent enterprises or 'substantially autonomous' divisions of larger corporations
Bacon et al. [73]	Small businesses	<200 employees
		15–24 small 25–199 small or medium sized
Bolton [69]* *Cited in Storey [14]	Small firm	Numerical criteria by sector
		In addition to be classified as small firm
		•Non-dominant in its market
		•Personalised managerial style
		•Independent
Carroll et al. [74]	Small firm	No definition specified
		Case study organisation ranges from 7 to 207 employees
Cassell et al. [38]	SMEs	<250 Employees
		Turnover of less than 30.35 million
		Less than 25 % owned by another organisation
Curran and Stanworth [75]	Small firm	<200 employees
De Kok et al. [76]	SMEs	1–500 employees
Deshpande and Golhar [77]	Small firm	<500 employees
Duberley and Walley [78]	Small and medium-sized business	<500 employees, less than 25 million turnover
		Either independent enterprises or 'substantially autonomous' divisions of larger corporations
Gunnigle and Brady [79]	Small firm	<50 Employees, capital investment of less
		than 500,000
Harney and Dundon [80]	SMEs	EU definition and criteria
Hayton [10]	SMEs	100–500 employees
Hoque and Bacon [81]	SMEs	<250 employees
		If part of a larger organisation, the organisation as a whole has 500 or fewer employees
Kaman et al. [82]	Small firms	<100 employees
Kinnie et al. [83]	SMEs	Medium sized = 100–499 employees

Table 2 (continued)

Authors	Label used	Definition/criteria deployed
Kotey and Slade [84]	SMEs	Small = 5–19 employees
		Medium = 20–100 employees
Makenlow [85]	Small firms	<20 employees
Marlow and Patton [28]	SMEs	40–100 employees
Matlay [32]	Small firm	<250 employees State that following EU definition
MacMahon	Small firms	<100
Ram et al. [86]	Small firms	No definition specified
		Case organisations range from 6 to 30 employees
Wagar [87]	Small firms	20–499 employees

Overall, there is no absolute resolution to such definitional dilemmas [14]. In attempting to tread some middle ground, the European Union criteria for an SME form a useful framing device for the current research. Specifically, the EU definition disaggregates between *micro* firms (less than 10 employees), *small* businesses (10–49 employees) and *medium*-sized enterprises (50–249 employees). In addition, this definition uses eligibility dimensions concerning annual turnover and ownership which ensure the status of firms as non-subsidiary and independent is also invoked (see 6). For some, in order to acknowledge that the boundaries are contested and subject to qualitative interpretation, the term '*smaller firm*' is favoured to SME [2]. On the one hand, this helps capture the '*the clearly not large*' aspect drawing attention to the potentially unique characteristics of the smaller organisations and hence cautioning against the homogenous projection of HRM from large to smaller firms. On the other hand, while it may not directly accommodate it, it at least appreciates the social and cultural constructions of size and its relative nature, and allows one to be open to the evidence so that meanings are not automatically transferred across small firms. Ultimately, size is continuous as opposed to discrete variable [14]. Equally, precise formal criteria of '*numbers employed*' can prove difficult where there is a transient or casual workforce, or when some workers are employed off the books. All the while, it is important to remember that under the umbrella of '*smaller firm*' lives a range of organisations from the archetypal family-run corner shop to the nimble and innovative firms that hold the promise of the knowledge-based era.

Conclusion

In order to better engage and embrace SMEs operating in differing international contexts, this chapter has reviewed their economic, ideological and practical significance coupled with some reasons for their relative neglect. The final section

of the chapter provided an overview of the various and contested definitions of both HRM and SMEs. In so doing, a case was made for a more analytical, culturally sensitive and all-encompassing definition of HRM in the form of analytical HRM. Likewise, it was proposed that the term 'smaller firms' may open up greater and more considered understanding of the breadth and depth of SMEs in existence and accommodate how their meaning varies across cultural contexts, sectors and even among policy makers. One point on which there is clear agreement is that the international footprint of SMEs is significant, growing and deserving of greater recognition and research focus.

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Socialization of International Students: A Case Study

Birgit Ohlinger and Carolina Feliciana Machado

Abstract Despite its growing importance due to the globalization of higher education, there has been little research about the socialization of international students, particularly in Europe, as opposed to the USA. This chapter, which presents the findings of a case study carried out at the University of Minho in Portugal, aimed to examine the experiences of its international students. The socialization of international students can be divided into three stages: anticipatory, encounter and change and acquisition phase. Socialization instruments, such as orientation programs or mentoring, can contribute to the minimizing of cultural shock and facilitate integration into the new organization. During their socialization, international students face various kinds of problems which make them turn to co-national, bi-national and multi-national social networks in order to solve their difficulties. Recommendations for improvement in support for socialization include the creation of specific support and the definition of an internationalization strategy, with the objective of attracting students beyond exchange programs.

Introduction

This chapter is based on a Master's thesis in the field of Human Resources Management. The study refers to the socialization of international students at the University of Minho in its different phases. It defines the related theoretical concepts, identifies the instruments used with the objective of integrating international students and examines the problems faced by those students, inside and outside the University. The chapter focuses on organizational socialization and adjustment in an international context, that is to say of the international students who study at this university. There are three possible study routes: an exchange

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program (e.g. Erasmus, Erasmus Mundus), enrolment in study for an academic degree (Bachelor's, Master's, Doctorate) or in a Portuguese as a foreign language course. The University of Minho was founded in 1973 and has two campuses, one in Braga and another in Guimarães, Portugal. In the academic year 2010/2011, approximately 1,400 international students were studying at the University out of a total of 19,000 students.

When people go to another country, they may experience cultural shock due to differences between their own culture and that of the host country. Universities who receive international students should try to minimize cultural shock in advance, by providing information about study and life in that country. When arriving in the country, the students should be given a special support and information about the university's structures and facilities. Mentors can help international students to integrate into the new country and university. It is important that people who deal with international students consider their vulnerability right from the beginning and give them special attention. However, international students may face different problems, for example related to the language, the education system, personal and sociocultural difficulties. As globalization becomes more and more important, it is essential for young people to obtain international experience during their studies in order to be culturally prepared for the future jobs market. Despite the growing importance of globalization in higher education, research has neglected international students and their socialization when studying abroad. We only know of one study linked to Portugal, specifically of students who come from African speaking countries who have Portuguese as their official language, and their social and academic integration into the Portuguese university system [1]. Thus, this study contributes to develop research in the socialization of international students.

We will start by presenting the current literature, before describing the methodology used and the results obtained in our case study. At the end, we will give recommendations and draw conclusions.

Literature Review

Organisational socialization is described. The exposition of models of culture and cultural shock makes it possible to understand the importance of the socialization and adjustment of sojourners, particularly of international students.

Organizational Socialization

Socialization can be defined as the "process by which an individual acquires the social knowledge and skills necessary to assume an organizational role" [2, p. 3]. Today, it is still considered the process of transforming outsiders into insiders of an organization (e.g. [3]). This contains not only the way of working, but

also appropriate behaviour in that organization. The utilization of human resources instruments for organizational socialization has impact on other variables, such as performance, work satisfaction, motivation and psychological contract. If it is well done, it can prevent absenteeism and employee turnover [3]. Socialization is a continuous process [4], which starts before an individual enters an organization and can be divided into three stages: anticipatory socialization, encounter, and the change and acquisition phase [5]. The first stage contains the recruitment and selection process. It starts when the newcomer first contacts the organization [3]. The second stage—encounter phase—takes place when the individual first enters the organization. The newcomer gets to know his new colleagues and learns more about the organization and his role in it. Therefore, it is important to provide support and important information to the newcomer. If he manages to adapt to the new surrounding, performs well and projects a favourable image of the organization outside, he has really become a full member, which means that socialization has worked well [5]. Ashforth et al. [6] defined adjustment as a secondary, more remote objective of socialization, which comes after socialization related with the tasks (work satisfaction, innovation and performance) and organization (identification, turnover thoughts).

Culture

Hofstede [7] defined five dimensions to measure cultural distance between different cultures of the world. The first dimension, power distance, indicates to which extent organizational members accept unequal power distribution in relation to their superiors. The more power distance there is, the more hierarchical is the structure of the organization in that country [7]. The second dimension, uncertainty avoidance, measures a culture's tolerance for ambiguity and uncertainty. People in uncertainty-avoiding cultures do not feel comfortable with unstructured situations and try to minimize them, whereas people in the opposite culture feel more tolerant to those situations and therefore have fewer rules [7]. Individualism dimension is about societies with loose ties between individuals and a family concept that only includes direct members. Collectivism, its opposite, sees groups as very important institutions and gives importance to the extended family, giving them protection and counting on loyalty from the other side [7]. The fourth dimension attributes masculinity to an assertive and competitive pole, versus femininity referring to a modest and caring pole [7]. The fifth dimension, long- versus short-term orientation, was defined later. The first refers to future orientation, whereas people in the latter culture are more oriented to the past and present [7]. As there are many cultural differences, it is normal that conflicts can arise between different cultures. We talk about cultural shock theory, which was first defined by Cora DuBois and then developed by Kalervo Oberg in the 1950s. Initially, it was defined as a disease occurring when an individual is transferred to another culture [8]. The concept has been criticized, and ultimately, researchers prefer other expressions, such as "acculturative stress" [9, p. 708]. This term, on the one

hand, highlights the interaction of two different cultures, and on the other hand, stress can be positive (eustress) or negative (distress). When entering a new culture, there are four stages which seem to follow a U-curve: the honeymoon phase at the beginning, when everything is new and the individual feels enthusiasm; then follows a crisis, an uncomfortable phase, often the wish to go back home; the individual passes to the recuperation phase, before finally reaching the adjustment and satisfaction phase, in which the person feels a real member of the new culture [8]. The model was criticized heavily due to its limited empiric support [10, 11].

Socialization, Adjustment and Integration in an International Context

When an individual leaves a familiar context and enters an unfamiliar setting, this causes difficulties and uncertainty. People who go to another country face not only a different workplace or education system and university, but also a culture different from their own and, frequently, another language. Therefore, socialization practices and adjustment are even more important in an international context. However, the influence and importance of organizational socialization tactics in order to improve adjustment have been neglected in international adjustment literature [12]. In this context, we talk about sojourners, people who leave their home country for a determined or undetermined period of time in order to work or study abroad [10]. We defined three phases of international student socialization: Anticipatory socialization is the stage when a student, still in his home country, decides to study abroad, influenced by push and pull factors [13]. Push factors make him leave his home country, e.g. because of better study opportunities abroad, whereas pull factors make the individual choose a specified host country and university for the study period abroad, e.g. because of its language, reputation, the presence of international students or other factors to be considered by universities if they wish to attract international students [13]. The next step, encounter, is the moment when the international student arrives at the host country and commences study at the university. In the third and last phase, the international student feels a complete member of the university. He only reaches this stage if the study period abroad is not too short.

Research Questions

Based on the literature, we formulated four main research questions (RQ) for our case study:

RQ1: Which socialization instruments are used at the University of Minho in order to integrate the international students?

RQ2: Is there any difference between the socialization of exchange students and students who do not participate in exchange programs? If so, what are the consequences?

RQ3: Do students feel a cultural shock? Does it depend on their home culture?

RQ4: How could socialization of the international students at the University of Minho be improved?

Methodology

We collected information from one hundred and twenty-four surveys, a structured interview with the Head of the International Relations Office, participative observations of a welcome and orientation day as well as secondary data.

Research Design

The target group was the international students studying at the University of Minho in the academic year 2010/2011. The study employed a qualitative and a quantitative research methodology in order to gain a closer insight into the situation of international students. The quantitative information could be analysed statistically, whereas the qualitative research methodology aimed to capture data from the research participants in their own words, as well as from a structured 40-min interview with the International Relations Office Director, who is responsible for exchange students. Participative observations of four welcome events for international and local students brought additional information. Secondary data, such as statistics about international students and information brochures, were analysed in order to complete information. We chose a "self-completion questionnaire" [14, p. 240] as the instrument of quantitative analysis, in order to assure that the respondents could frankly and critically express their opinions. This methodology, as opposed to in-person interviews, was chosen because participants cannot be so easily influenced, its use is fast and cheap, and the participants can respond when they choose. However, we were conscious about possible disadvantages, e.g. a lower response rate and difficulty in using open-ended questions [14].

The research was conducted via an internet survey instrument, LimeSurvey. This provider was chosen as a host site for the survey, because of the possibility of employing the same survey in different languages at the same time; the unlimited number of questions and participants; variety of question types available; easy handling; download functions to other programs (e.g. Microsoft Excel, SPSS); and low cost. Questions were based on the information obtained from the literature review on the socialization and adjustment of international students. Due to the variety of nationalities at the University of Minho, the survey was available in two languages: Portuguese and English. Portuguese is the principal official language of Portugal and official language of other Portuguese speaking countries, such as Brazil, Angola, Cape Verde, Guinea-Bissau, Mozambique, Sao Tome and Principe and East Timor. English was used due to its importance as a global language.

Before sending the survey to the international students, a pretest was done in order to assure the comprehension of the questions and functionality of the LimeSurvey site. Responses of participants were completely anonymous.

The questionnaire contained both open-ended and closed questions with the latter able to be answered by ticking boxes. The survey was divided into nine areas with 57 questions in total: studies at the University of Minho; preparation for the study period; arrival in Portugal and at the University of Minho; initial reception and support; integration into the local community; knowledge of the Portuguese language; accommodation; personal data; and general evaluation. For instance, respondents were asked questions such as, "Did you feel any cultural shock when you came to Portugal? Describe it". Some closed questions were also used, such as, "How well do you rate your level of integration?", referring to different areas (university, local students, international students, city, local culture, country). Answers could be "very integrated", "integrated", "more or less integrated", "a little integrated" or "not integrated at all". We also provided the option "no response".

Sample and Participants

The recruitment of participants was done with the assistance of three university services: the International Relations Office provided exchange students' contact details; student administrative services provided details of those international students following a course leading to an academic degree; and BabeliUM, the University Language Centre, provided details of Portuguese as a foreign language students. We understood that there were at least 1,399 international students at the University of Minho in the academic year 2010/2011. Unfortunately, there was no information available about the number of international students in 1st cycle studies (Bachelor's degree) who were not exchange students.

Data Collection

An e-mail containing a link to the Internet survey was sent via e-mail to the 1,186 international students (85 % of the University's international student population), for whom e-mail addresses were available. However, only 52 % of the e-mails arrived at their intended recipient, due to various problems, such as crowded mail boxes or addresses which did not exist. Thus, the sample was reduced to 616 students, with 124 replies resulting. This corresponds to a response rate of a little over 20 %.

Data Analysis

The survey data were downloaded into the IBM SPSS (Statistical Package for the Social Sciences) Statistics program (version 19 for Windows) and a Microsoft Excel spreadsheet. Descriptive data analysis was done in SPSS, particularly through frequency tables. Answers to the open-ended questions were classified and clustered by topics. Thus, similar responses could be grouped and analysed in detail. Data obtained through interviews were compared with the responses of the international students and secondary data were analysed in order to enrich the research.

Results

Characteristics of the Participants

The survey was answered by 124 international students—80 females (65.6 %) and 42 males (34.4 %) indicated their gender. 44 (35.5 % of the research participants) responded the survey in English and 80 (64.5 %) in Portuguese. The ages of the participants ranged from 19 to 57, with the mean age being 28.7 years. Students came from 34 different countries, the majority of participants originating from Brazil (45 students), Spain (14) and China (5). Most international students (59) indicated they were doing an exchange/mobility program (while continuing to be registered at their university of origin), 52 participants were studying a Bachelor's, Master's or Doctorate Course (without being registered in another university), while 33 students were attending a Portuguese as a foreign language course. Some students were doing not only a Portuguese as a foreign language course, but also a course leading to a degree (12) or a course in the field of an exchange program (7). Participants were distributed among ten of the eleven schools and institutes of the University of Minho. More than half of the students received a scholarship (68 students), as opposed to 51 who did not enjoy this kind of financial assistance. The scholarships originated from various institutes, with a majority emanating from the European Commission (Erasmus and Erasmus Mundus, as well as its sub-programs). Students had planned the following duration of their period of study at the University of Minho: 1 semester (25 students); 1 year (44); 1–2 years (29); 2–3 years (9); more than 3 years (8); and other (9). After their period of study, the majority of the students (68 %) wanted to return to their home countries; nearly one quarter still were not sure about what to do (18 %) and the remaining students wanted to stay in Portugal (9 %). Some wanted to go to another country (3 %) or had already returned to their home countries in order to write their thesis (2 %).

Anticipatory Socialization at the University of Minho

Considering the fact that anticipatory socialization starts before the individual arrives at the organization [3], we will analyse the communication channels through which the international students become aware of the possibility of studying at the University of Minho. We will also examine how they researched information before beginning their period of study. We found that the most important information sources for international students to learn about the University of Minho are the international offices of their home universities (37), and the Internet (28). Friends and family members (24 participants chose this option) as well as those who have already studied at the University of Minho (19) have also an important influence. This was also observed by other authors [13]. The International Relations Office Director reports that the university still does not have a real recruitment strategy for those international students who do not participate in exchange programs. She thinks that it is important to create a multicultural, multilingual environment, also including the students who do not go abroad. As Portugal is not the preferred destiny for students from some countries, it is even more important that the university is chosen due to the quality of its education and research. Thus, we consider it essential that the University of Minho takes into account the "'pull' factors" [13, p. 82], which persuade international students to choose Portugal and the University of Minho. Therefore, it is vital that the University draws up a recruitment strategy for international students.

Having chosen the University of Minho for their studies, students search for information about different aspects, such as the country, city, the university itself, the course, application procedure, recognition of academic qualifications, transport, journey and accommodation. This information is searched for on the Internet (for all topics apart from accommodation), at the University of Minho's International Relations Office (for exchange students), from friends, the university of origin's, offices or student administrative services. The International Relations Office Director reports that there is an intensive information exchange between the university and exchange students in the anticipatory phase. The International Relations Office helps them look for accommodation privately or in halls of residence. They provide the students with information about Portuguese language courses for exchange students and organize the "godfather Erasmus" program, which consists of a type of mentoring by linking an exchange student to a Portuguese student who tries to facilitate integration. We would like to emphasize the importance of providing all the necessary information to international students, because they may experience greater difficulties looking for information than their Portuguese colleagues. The University of Minho, on the website of the International Relations Office, provides much information of possible interest to international students (e.g. application procedure, contacts, language requirements, how to get to the campus, cost of living, visa issues, canteens, leisure activities, etc.). However, there is no specific comparable information available for students who do not participate in exchange programs. This should be addressed.

Encounter Phase: Arrival and Reception of the International Students

We found that almost three quarters of the participants (73 %) were in Portugal for the first time; the others (27 %) had already been there before. When they arrived in Portugal, the students had quite different feelings. In forty of the cases, there were only positive attitudes, such as joy, a lot of expectations, satisfaction, and the will to discover new and unknown things. Two examples: "Excitement, finally in Portugal, awesome" (Austrian student, 23 years); "Amazing!! I found many different cultures between my country of origin and Portugal." (Indonesian, 23 years). Twenty-six participants referred to a mixture of positive and negative feelings at the same time. However, the positive ones usually had more importance. Twenty participants described only negative feelings when thinking about the first days in the new country, because they remembered a period of disorientation, fear, sadness and loneliness, e.g. "Disappointed". (Vietnamese, 39 years) and "For the first time I'm away from home for so long and alone. First feeling was that I don't do school, because my English isn't good" (Czech, 25 years). Eight students felt a shock at the beginning (disorientation, confusion, worry, fear, uncertainty), but then experienced a very positive phase and got used to the new country and culture. An American student (26 years) says: "I was a little nervous (…) But the people are really nice and made me feel welcome". One student had positive feelings at the beginning which then turned into negative ones including disappointment. The other eight students described their feelings in a very neutral manner, so that we did not understand whether they were more positive or negative. This makes us understand the importance of supporting international students from the very beginning of their period abroad. It is fundamental that they know they have someone they can rely on in order to minimize the negative feelings related to being dependent only on themselves, in an unknown country, often without understanding the language. Thus, we can summarize that it is not possible to confirm or to reject the theory of the honeymoon phase [8]. Besides, we cannot agree with the opinion of [15] who said that the positive feelings are totally oppressed by the negative ones of the cultural shock at the first stage of the stay in a foreign country. We found examples for both theories. There were no significant correlations with other variables, such as the nationality of the students, their culture or cultural distance.

In reference to students' participation in official reception events, we can say that the majority (66) was welcomed by the International Relations Office; however, this is only true for exchange students. Professors (30) and course directors (22) were also mentioned. A quite considerable number of students (15) told that they had not been welcomed by anybody in particular—a fact that surprised us, because this is a very important step in order to integrate students. Fourteen students were welcomed by Portuguese colleagues and thirteen by other international students. Supervisors, mentors and colleagues were mentioned in the category "others". A large number of students (71.7 %) indicated having participated

in a formal welcome event. The others (28.3 %) did not do so due to different reasons, such as the non-existence of such an event (16 students); they were not in Portugal at that time (9); they did not have time (3) or were not interested in attending (2). It is important to refer to the significance of a formal reception and welcome in situations of cultural transition [2]. We concluded from our survey that there are two different realities at the University of Minho: one part of the students does not receive any special support for socialization and the other one can participate in socialization events. An example is the orientation program: "Each year the International Relations Office (SRI) organises an Orientation Programme especially dedicated to exchange students, allowing them to get to know the [the University of Minho] better. (…) They will also get to know the SRI team as well as the other foreign students. It is important to highlight that all UMinho's exchange students are strongly encouraged to participate in this Orientation Programme in order to receive all the relevant information" [16]. During this one-day session, different university entities welcome the exchange students and give them information about the library, institutional e-mail, computers and infrastructure, activities for exchange students, social services, etc. They are invited for lunch in the university canteen, and in the afternoon, they do a peddy-paper, an activity in which they get to know the campus in teams. Nearly all the students (92 %) reported that the information obtained from that program was useful and they liked getting to know other international students. However, students outside this exchange program do not have that possibility and have to rely on events which are organized (or not) by their schools or course directors. For those who did not have any contact person to rely on, the first day at the university was not so positive, because they felt lost on the campus.

Change and Acquisition Phase at the University of Minho

The majority of international students intend to stay at the University of Minho for only one semester or one year. Thus, it is difficult for them to reach the last socialization phase that of change and acquisition, meaning that they arrive at the stage where they feel a real member of the organization. However, we tried to analyse some variables in order to assess the integration of international students in intra- and extra-university communities. A total of 44.7 % of the participants had already attended extra-curricular activities which had been organized especially for international students. The other 55.3 % had not participated in this kind of event. There are different groups who organize activities for international students: the Director of the Portuguese as a foreign language course arranges excursions for her students in order to show them culturally, historically or literarily important places. The Academic Association of the University of Minho and University Radio Station undertake weekend activities and excursions. There is also a volunteer organization which has regard for international students, the Project 'MEET' of the Red Cross (Youth Section) in Braga which aims to integrate international

students into Portuguese culture. They organize excursions, traditional dinners, human rights workshops, etc. Students who participate in their activities like them: "I like them really a lot. They make me feel welcome", says a Romanian student (32 years). Furthermore, we analysed social networks, as defined first by Bochner et al. [17]. We distinguished between friendships with Portuguese people (bi-national network with host nationals); friendships with people from the same country (co-national network); multi-national network (friends from other countries); in addition, we created a new category: friends from other nationalities with the same language (e.g. a Spanish student who forms friendships with people from Venezuela or Columbia). The importance for the students analysed was as follows: co-national (40.3 %), bi-national (23.4 %) and multi-national network (20.2 %) and friendships with people from the same linguistic context (6.5 %). Thus, the order of decreasing importance of the first three networks corresponds to other studies [17]. The international students feel different degrees of integration depending on the context (university in general, class, local students, international students, professors, city, local culture, country). We found out that there is a very good level of integration with other international students and a good level in all other contexts apart from with local students. Thus, it is necessary to create opportunities for better integration with their Portuguese colleagues. Language has been considered a fundamental element for integration by various authors, e.g. Sherry et al. [18]. Thirty-nine per cent of the students thought that they could be better integrated if they had better knowledge of Portuguese as a language. An Italian student commented: "I could see the difference. At the beginning, as I didn't speak Portuguese, I could only go out with foreigners. Now, speaking Portuguese, I have fewer problems and also the professors are happier." The other 30 % were not sure about whether better language knowledge could positively influence their level of integration, because they referred to other important factors besides language, and for 31 %, there was no relation at all between the two variables. We thought that living together with Portuguese hosts instead of co-nationals in an apartment or halls of residence could also help with integration. However, we did not find any significant correlation. Nevertheless, we consider it important to create conditions which facilitate integration between local and international students, for example by having more host country students available for mentoring programs or encouraging the creation of discussion forums and other occasions for informal conversation.

International Students' Problems and Cultural Shock

In our survey, we asked students about their difficulties when arriving in Portugal and at the moment when they were filling in the questionnaire. They were asked to list their problems, beginning with the aspect which caused them most difficulties. When arriving at the country, the major problems were missing family and friends, bureaucracy and legalization difficulties (e.g. visas), but also problems with the

Portuguese language. The international students felt lonely at the beginning, because they did not know anybody and had difficulties in integrating into the university. Besides this, they had problems in finding accommodation. Climate, transport, differences in the education system, Portuguese culture, the time zone and food also caused problems. Aspects such as finance, racism/discrimination and religion caused fewer problems. Fourteen students indicated not having had any problems at the beginning. In comparison, we analysed problems at the point when they were filling in the questionnaire, some months or even years after arrival. We could see that there were fewer difficulties in absolute numbers, but they still existed. Missing family and friends was still the biggest problem, followed by differences in the education system, climate, language, integration into the university, food, bureaucracy/legalization difficulties and financial problems. Portuguese culture and transport were no longer significant issues. Discrimination/racism, accommodation problems, time zone, knowing nobody and religious problems still existed, but caused less worry at that stage. Twenty-seven students indicated having no difficulties.

In reference to cultural shock, we asked three open-ended questions. Forty-seven international students said that they had experienced cultural shock and forty-two indicated that they had not. The aspects that had contributed to cultural shock were as follows: Portuguese life style; food; Braga as a small city; Portuguese individualism; bureaucracy; hierarchy and formality between professors and students; academic traditions at the University; English language for lessons and study; Portuguese language (even for Portuguese speaking students from other countries); high workload and little time for leisure activities; among others. Asian students referred to aspects which are completely taken for granted in Europe: "In my country, we don't use fork and knife to eat. (…) During the first month, I really missed home but couldn't call my family", said a 22-years-old student from Vietnam. The students who indicated not having experienced any cultural shock, came not only from Portuguese speaking countries, from the Spain and other southern European countries, but also from other European and South American countries and even from Asia. The majority of students thought that their colleagues and friends had experienced different cultural shock; others indicated that it was similar. It seemed that speaking Portuguese and having stayed in Europe or even in Portugal before could help them to minimize cultural shock. Fourteen students said that they still had not been able to overcome their cultural shock due to missing their country and suffering from cultural differences.

What helped the other international students to overcome their cultural shock (within one week to six months), was, for example, trying to behave like Portuguese people; interacting with their Portuguese colleagues and friends; showing respect for differences and other cultures; an extrovert personality; academic success; finding accommodation; and accepting being far away from home. Others said that they overcame cultural shock with time, without any particular effort. Nearly one quarter (23 %) of the participants had already thought of abandoning their study at the University of Minho due to their difficulties. The others (77 %) indicated never having thought about that possibility. Two exchange students left

during the academic year 2010/2011. Information about other students was not available. Reasons for thinking about leaving were in particular problems during their lessons and differences between expectations and reality. Language and assessment at the university were also mentioned, as well as financial problems. The International Relations Office tries to prevent these situations by sending the exchange students information about cost of living before they go to Portugal. It became clear that social networks with people in Braga helped significantly in dissuading people from giving up, as shows in this statement: "I never give up, but… if I have a problem… I always talk with my friend. I have a friend here, Portuguese girl, my lab mate, her name is Clotilde. She is very nice and always helps me. And also my supervisor, he is very kind and without their help I can't survive here. I am lucky I have friends and a supervisor like them" (student from Indonesia, 24 years old). We can summarize that it is important to create more support for international students, particularly those who are not exchange students. Support for exchange students should also be improved. We recommend better communication between the university and international students in order to provide all the information necessary for their studies. Creating new mentoring programs for students outside exchange programs and encouraging more local students to participate in existing programs would also be good ways to improve the socialization and adjustment of international students at the University of Minho.

Discussion

This study was designed to identify the instruments of reception and socialization of the international students at the University of Minho. The instruments used in the three phases of socialization—anticipatory, encounter, and change and acquisition—were related to the integration within the university as well as outside. Findings from this study make important contributions to the literature on international students.

Summary of the Results

We analysed the literature referring to different aspects of organizational socialization, the culture, cultural shock, and adjustment in an international context; we defined three phases of socialization of international students and analysed the problems they face during their adjustment period. Based on revision of the literature, we chose a methodology, which consisted of the completion of a questionnaire in Portuguese or English by international students and an interview with the International Relations Office Director, as well as the analysis of secondary data and the observation of welcome events. In the anticipatory socialization phase, the international students are introduced to possibility of studying at the University

of Minho particularly from the international offices of their own universities and the Internet. Exchange students can obtain information about different aspects from the International Relations Office of the University of Minho, whereas all students use the Internet, friends and family members as a source of information. We confirmed that there is a separation between students who are part of exchange programs and the remaining students (those who do a course which leads to a Bachelor's, Master's or Doctor's degree or a Portuguese as a foreign language course). In relation to the latter, we concluded that the schools and institutes of the organization lack instruments for reception and socialization. Thus, there is no specific support for this group of students. This leads to a feeling of exclusion and a lack of appreciation in comparison with exchange students. Agreeing with other studies, the majority of the students face inter-university and extra-university problems at an academic and linguistic, personal and sociocultural level [18]. We found that they have major difficulties in integrating with local students.

Implications

Based on the results of this research, we identify a major concern with this population. An internationalization strategy should be defined, with the objective of attracting students beyond exchange programs. Introducing specific support could improve socialization. A student from the UK said: "How nice would have been for example, if someone had told us we could claim tax back on certain expenditure! Wouldn't it have been nice if someone had advised us how to rent a nice apartment (…)? It was just down to luck what we found out, and what we didn't. It's the practicalities in life that it would have been nice if there had been someone available to take us through it all (..)".

Results can also be considered in other related areas, such as the socialization of expatriates in companies. It is important for organizations with international members to give them support in integrating into the organization and also the country. Support instruments, such as mentoring, information sessions and language courses, should be created and maintained. It is fundamental to consider at any time that individuals from outside the country do not only need support concerning the new organization but that they face additional difficulties, such as being far away from home, in another culture, often without knowing the language. Definition of a responsible entity that cares about and gives support to international individuals is needed in every organization. This is especially true for the first weeks and months, because during this period, they may face most difficulties, questions and uncertainties. Not only integration and socialization within the new organization, but also in the community outside is an important point to consider. Intercultural events are a good opportunity to create links between foreign and local people and to promote values such as multiculturalism and multilinguism.

Limitations

We found some limitations in this study. The most important one refers to the difficulties in contacting all the international students. On the one hand, contacts were only available at the end of the first semester, when a lot of students had already returned to their home countries, and maybe were occupied with other things when they finally received the survey. On the other hand, a lot of mailboxes were overfilled, so that a considerable number of surveys did not even arrive. Thus, the analysis was limited to the questionnaires answered.

Suggestions for Future Research

We consider that undertaking the study with a larger number of international students would be helpful and could provide more reliable results. The survey could be distributed also in other universities and countries who receive international students. An extension of the study would lead us to the identification of best practices which could be transferred to the socialization and adjustment of international organization members not only in universities but also in other organizations. Furthermore, a longitudinal analysis would allow us to obtain data at two or three different points, e.g. on arrival, after two to three months and after one year in the new organization and culture. Thus, we could identify the needs of socialization in every socialization stage. These data are of great importance due to the growing number of international students worldwide, but also globalization in general. In companies, expatriation is a topic of growing importance and interest. Studies in this field could help us to improve human resources management in an international context.

Conclusions

The University of Minho already offers a good socialization support for exchange students, such as the orientation program, supply of information before and during the period of study, and support in looking for accommodation. Some of these activities should also be made available to other international students, in order to improve their socialization. Portuguese language courses are available and help to facilitate students' needs for daily life and contribute to understanding Portuguese culture. Internationalization of higher education is becoming more and more important all over the world, with growing numbers of people studying abroad. In Portugal, there are increasing numbers of students independent of exchange programs who choose the country as their favourite destination and spend several years there. It is important to fulfil the students' expectations and to provide them

with the necessary support in order to adjust well to the new country and university. But not only in education is globalization a current topic. Other areas of life, particularly the economy, are also becoming increasingly internationalized. Thus, people who are able to deal with different cultures have a growing importance. This highlights the need to undertake intercultural experiences as early as possible, e.g. during university studies. In order to have interesting experiences abroad that contribute to future job success, it is important that universities consider the importance of creating a multicultural environment and give support to their international students. Research should be enlarged in all areas which consider sojourners, e.g. expatriates in companies, international students at universities, etc. Results could contribute to a continuous improvement of socialization and adjustment in an international context.

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