

LEVEL OF CONTROL, STAFFING POLICY, AND TRAINING NEEDS FOR OVERSEAS UNITS OF MULTINATIONAL CORPORATIONS: AN INTEGRATIVE APPROACH

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ABSTRACT

This paper suggests an integrative model in which MNCs combine staffing policy with training requirements given the level of control over foreign operations. The main premise of the paper is that different levels of control need determine the type of personnel and the extent of training required for managing foreign operations. At the highest level of control need, expatriate managers are provided with extensive cultural training. Conversely, at the lowest level of control need, host country nationals are given minimal functional training. When the control needs are moderate, firms can select either expatriates or host country nationals. Since the costs incurred in extensive functional training for host country nationals are usually greater than those for expatriates who require only a minimal level of cultural training, MNCs tend to prefer expatriates to host country nationals.

Key Words: Control, staffing policy, training, expatriates

INTRODUCTION

Cross-border mergers and acquisitions (M&As) activity has been increasing at a rapid pace during the past decade and a half (Morisini, Shane, and Singh, 1998). After a brief slowdown during the early 1990s, the value of cross-border M&As has increased dramatically (The Economist, 1997). Furthermore, the introduction of the Euro put

an enormous amount of pressure on European multinational corporations (MNCs) to ensure the survival of cross-border M&As under the rapidly changing business environment on the continent. Most recently, many troubled Asian MNCs have tried to ease their liquidity problems by selling a portion of their equity to foreign firms. According to Accenture, formerly Anderson Consulting, alliances will represent \$25 to \$40 trillion in value within five years. They conclude the question is no longer whether to form an alliance, but who will be the appropriate partner (Business Week, 1999). Thus, given an ever-changing global business environment, many MNCs recognize a cross-border M&A as a major strategic tool for survival and growth (Cartwright and Cooper, 1993).

However, at the operational level, one of the crucial questions to be answered immediately following a cross-border alliance and/or M&A decision is how to effectively transfer a company's critical capabilities for this newly created unit. Global human resource practices, transferring managers from country to country in particular, was found to be the most effective means to transfer critical capabilities (Conn & Yip, 1997). Specifically, MNCs have to decide whether to retain host country national (HCN) managers from the acquired local firm or to dispatch parent country national (PCN) managers. The major concern involving this decision is how to maintain the level of commitment without losing control. This issue is not new by any means, but is becoming increasingly important as the number of cross-border M&As increases. A strong body of literature indicates that the failure rate of expatriates is surprisingly high (Black & Gregersen, 1999; Black & Gregersen, 1998; Stroh, 1995; Bartlett & Yoshihara, 1988; Black & Mendenhall, 1990). More than 30% of US expatriate managers fail (Marquardt & Engel, 1993; Solomon, 1995). Despite Tung's (1998) claim that this situation appeared to improve, a more recent study still reports that between 10% and 20% of all U.S. managers sent abroad returned early because of job dissatisfaction or difficulties in adjusting to a foreign country (Black & Gregersen, 1999). The costs associated with these failures have been estimated as high as \$250,000 per expatriate, or roughly three times the domestic salary plus relocation costs (Black & Gregersen, 1999; Ioannou, 1995; Edwards, 1978; Harvey 1983). As a result of these past failures, American firms have begun utilizing host-country or third-country management at an increasing rate (Kobrin, 1988). This trend has not necessarily been viewed as negative due to environmental competence and cost reduction advantages. However, the decreasing number of American expatriates could have adverse impact on a firms' strategic management. When local or third-country nationals occupy management roles, firms sacrifice some degree of organizational control, and lose the development of a new breed of managers who possess a global perspective (Kobrin, 1988). To ensure effective application of their core competencies on a global scale, companies need expatriates who can support their expansion through both technical expertise and cultural understanding (Joinson, 1998)

Consequently, it has become increasingly important for American MNCs to find the optimal combination of expatriate and local management that will balance cost-reduction and control. To achieve this goal, they need to improve the selection process to choose candidates who possess competencies that are the most relevant to the overseas assignments. In some cases, technical and functional ability may be of greater importance than local market knowledge and acculturation ability, while in other cases the reverse may be true. The functional and environmental competencies of expatriate, local, or third-country managers must match the nature and requirements of the position being filled.

Related to the discussion of staffing overseas subsidiaries is the issue of training. Selection of an international manager should include assessment of the candidate's training needs. A company must analyze all candidates' strengths and weaknesses and at the same time examine the type of training deemed necessary for improving their performance. Our premise is that training should not be treated as a secondary issue, separate from the selection process, as is often the case. A candidate's training needs should be considered as part of the evaluation of their eligibility for overseas positions. As certain skills may be significantly more difficult, costly or time-consuming to teach than others, the issue of training should be integrated into the selection process itself.

Historically high failure rates of American expatriates have led many U.S. MNCs to institute overseas relocation programs to improve selection and training of candidates for assignments abroad. Training programs for American expatriate managers have been considered largely ineffective, with hypothesized causes ranging from limited use to poor content (Mendenhall, Dunbar and Oddou, 1987). This dissatisfaction with the effectiveness of current training programs may be rooted in the selection of candidates rather than the training programs themselves. Selection of the wrong candidate may render training programs useless regardless of their content or length. American firms tend to fail in selecting appropriate expatriate candidates because they seem to focus too heavily on technical competence and not enough on the relational skills and acculturation ability required for environmental competence (Solomon, 1995; Mendenhall, Dunbar and Oddou, 1987). Selection methods must therefore be revised, with increased attention to the environmental competency previously overlooked.

Training must also be re-examined given its interrelation with the selection process. Many firms have not provided in-depth cross-cultural training in the past for a variety of reasons. Costs and time limit cultural training most severely (Tung, 1981), and lack of management support for such training further cripples attempts to provide it (Runzheimer, 1984). Increasing usage of local managers has temporarily stemmed the need for cross-cultural training for expatriate managers, resulting in weakened strategic control and lack of international career development for domestic managers (Kobrin, 1988). Accordingly, firms need to integrate selection and training of

candidates to assure long-term strategic control and to develop well-trained managers for future global leadership.

In this context, the primary objective of this paper is to develop a model that demonstrates how MNCs' differing levels of control needs determine the type as well as the extent of training, thus helping in the selection of candidates best suited for overseas assignments.

CANDIDATE SELECTION CRITERIA

Two basic requirements for successful international managers have been identified in recent literature. Effective global managers possess both knowledge of company philosophies, procedures, and policies, along with the ability to adjust to unfamiliar environments (Adams, 1985). Broadening the first requirement to include technical ability and the second requirement to include knowledge of the host country environment allows international management skills to be grouped into the two basic categories of functional competency and environmental competency (Kobrin, 1988). Virtually all factors identified in previous years as necessary for international managerial success can be grouped into these two competencies. Evaluating potential managers along these two dimensions has implications for the type of training they will require later.

Functional Competency

Functional competency is defined as familiarity with technical processes and organization functions. This competency can be assessed through the examination of candidates' technical skills and organization knowledge.

Technical Skill

Technical skill, which can be defined as familiarity with and knowledge of technical processes that allow a manager to effectively manage operations, contributes to overall functional competence. Technical ability can be measured through job performance, previous domestic experience, education and training. Technical knowledge and job-related skills should be reviewed in the assessment of a candidate's technical ability.

Organization Knowledge

Knowledge of the organization is essential in order for managers to efficiently accomplish tasks. Managerial skill, familiarity with procedural channels, and experience working within the corporate culture contribute to functional competence. A manager who possesses extensive organization knowledge can provide the firm with strong strategic control. The company's goals and objectives can usually be more effectively pursued through a manager familiar with organization procedures than with

a manager who is not integrated into the corporate culture. Managers not indoctrinated into the organization may not share or understand the company's goals and objectives, or because they are unfamiliar with the organization's procedures and channels they may not be able to accomplish tasks.

In the past, personnel managers have relied heavily on functional competence, specifically job related skills and past performance, as the primary selection criteria for choosing expatriates. As a result, overqualified candidates were often selected without regard to their ability to manage in foreign environments. Expatriates themselves place more emphasis on other types of competency, specifically the acculturation ability of potential expatriate managers (Edstrom and Galbraith, 1977). Assessment of functional competency is generally simpler than assessment of acculturation ability, which may partially explain the past over-dependence on it as a selection criterion for international management positions.

Environmental Competency

Environmental competency is defined as the ability to manage effectively within the foreign environment. It represents familiarity with the local environment's processes, rules and culture. Existing research generally agrees that the predominant reason for expatriate failure is not the manager's technical incompetence, but rather the difficulties of the inter-cultural adjustment (Stening & Hammer, 1992; Tung, 1993; Bird & Mukuda, 1988). Difficulties involving cross-cultural adaptation can and do seriously inhibit managerial performance, leading to a failure in effectively controlling local operations (Jun et al., 1997 Adler, 1986; Black & Mendenhall, 1990, Broidy & Chrisman, 1991). Thus, the ability to adapt to and successfully work within the foreign environment is necessary for candidates who are not native to the host country. In assessing candidates' likelihood for success in international assignments, the factors of host country knowledge, international experience, acculturation ability, motivation, and global mindset should be considered.

Host Country Knowledge

Managers on international assignment must be able to function within the foreign environment. Effective international management requires knowledge of the host country culture, its values, norms, and attitudes. International managers must adhere to local procedures and rules, and established local networks. Expatriate candidates can learn host country knowledge, but that is generally more readily possessed by managers who are native to the host culture and have business experience and developed networks in the area.

International Experience

Candidates who possess international expertise are likely to have a greater degree of environmental competence due in part to their own established global networks. The previous international experience of these “transpatriates” (Adler and Bartholomew, 1992) usually speeds the acculturation process, and language skills may have been acquired or strengthened in prior assignments. Managers not native to the host culture but possessing international experience in another culture may find it easier to assimilate host country knowledge and adapt to the new environment.

Acculturation Ability

Acculturation ability is comprised of the candidate’s ability to integrate into the foreign environment and adapt to the international assignment. A candidate’s cultural adaptability is largely determined by his or her ability to deal with cultural diversity and adapt to the international milieu. Strong cross-cultural skills, relational abilities and a non-ethnocentric mindset are critical to this adaptation as are personal characteristics such as emotional stability and effective handling of stress. Since adjustment to a new culture may result in intense emotional strain, the ability to deal with feelings of hostility, isolation and loss of control is crucial to successful acculturation.

Family status must also be considered in the measurement of the candidate’s acculturation ability. The degree of family support and the adaptability of both spouse and children play significant roles in the candidate’s likelihood of success in the international assignment. In the past, acculturation of the candidate’s family has been overlooked as a key criterion for selection of an expatriate manager (Mendenhall, Dunbar and Oddou, 1987), but recent studies have confirmed the role of family support in expatriate managers’ successful adaptation to the foreign environment (Tung, 1987).

Motivation and Global Mindset

Success in international management is also strongly impacted by the motivation to go abroad. Candidates with a keen interest in international assignment usually possess a desire for personal and professional growth, and perceive an international assignment to be of high value in their career development. Such individuals tend to have a global orientation or worldwide perspective that enhances their acculturation ability. A geocentric mindset results in a globally socialized manager whose global scope and mental geographic context contributes to acculturation ability and effective international management (Herbert, 2000, Mendenhall & Stahl, 2000; Roberts, Kossek, & Ozeki, 1998).

CANDIDATES COMPETENCIES AND TRAINING NEEDS

Selection of a manager for international assignment depends on the competencies of the candidates, the type and extent of training needs, the efficacy of the necessary training, and the level of organizational control required. By analyzing these factors according to the following two matrices, firms can examine their staffing options and select appropriate international managers.

Competency Typology

Firms should first assess candidates for international assignment according to their competencies and training needs. Based on functional and environmental competencies, candidates can be grouped into four typologies defined by the quadrants of a four-compartment matrix (Figure 1). Using this typology matrix to graphically examine selection options, firms can sort candidates by competency and training requirements. On this matrix, functional competency defines the vertical axis while environmental competency defines the horizontal axis.

Figure 1: Competency typology

		ENVIRONMENTAL COMPETENCY	
		LOW	HIGH
TECHNICAL EFFICIENCY	HIGH	STRATEGIST CULTURAL TRAINING	COSMOPOLITAN NO TRAINING
	LOW	ROOKIE FUNCTIONAL & CULTURAL TRAINING	COMPATRIOT FUNCTIONAL TRAINING

The lower left quadrant of the matrix describes candidates who possess low degrees of both functional and environmental competence. Such candidates who are new to international management and require extensive training can be referred to as *rookies*. Candidates who possess both high levels of functional competence and high levels of environmental competence are shown in the upper right quadrant of the matrix. These candidates who require little or no training can be called *cosmopolitans*, reflecting their expertise in international management.

In the upper left quadrant of the matrix are candidates who possess high levels of functional competence and low levels of environmental competence. Candidates in this quadrant, usually parent country nationals, can be termed *strategists*. This term illustrates the strong functional and technical ability of these candidates in comparison to their lack of environmental sensitivity. Finally, the lower right quadrant of the matrix describes candidates who possess a high degree of environmental competence but a low degree of functional competence. In contrast to strategists who are generally from the parent-country, host-country nationals who possess extensive knowledge of the intricacies of the local culture most often occupy this quadrant. Since these candidates are usually native to the area, they can be named *compatriots*.

The Rookie

A rookie candidate who possesses low degrees of both functional and environmental competence should only be selected for foreign assignment if significant time and resources are available for the extensive training required. Firms with long-term human resource development plans may select rookie candidates with the aim of development for future assignments, but face considerable time and monetary costs.

Before selecting rookies for international assignment, these candidates must demonstrate the ability to benefit from both the functional and cultural training to be provided. Ability to benefit from functional training may be assessed through examination of previous work history and educational background. Ability to benefit from cultural training requires an in-depth assessment of the candidate's personal characteristics, relational abilities, motivation and geocentric mindset.

The Cosmopolitan

In contrast to inexperienced rookie candidates, cosmopolitan candidates possess both high levels of functional competence and environmental competence. Cosmopolitans are experienced internationally and have proven themselves as effective, geocentric managers. These cosmopolitans are capable of succeeding in international managerial positions with no additional training.

Ready-made international managers of this type are highly desirable but scarce. If firms have not previously focused on developing candidates into cosmopolitans, they may not have these skillful individuals within their ranks. Accordingly, the demand for qualified cosmopolitan managers usually exceeds the supply.

The Strategist

Like military strategists, candidates who possess high levels of functional competence can readily accomplish tasks and are well versed in established procedures. However, strategists possess low levels of environmental competence and require extensive cultural training to improve their ability to adjust to and work within the foreign

culture. The environmental competence of strategists, usually parent-country nationals, has been overlooked in the past and may be responsible for high expatriate failure rates (Mendenhall, Dunbar and Oddou, 1987).

In order to best utilize the functional skills of strategists, cultural training must be provided for these candidates to improve their environmental competence. Successful cross-cultural training depends largely on personal characteristics and attitudes that influence receptiveness to the training. Since cultural adaptation requires a change in mindset from an ethnocentric attitude to a geocentric one, strategist candidates unable to make this mindset adjustment will obtain little benefit from cultural training. MNCs must assess the acculturation ability of a strategist candidate before selection and estimate the efficacy and cost of cultural training.

The Compatriot

The compatriot, usually a native host-country manager, is familiar with the intricacies of the local culture and possesses a network of established contacts in the area. In contrast to parent country strategists, these compatriots possess a high degree of environmental competence but a low degree of functional competence.

MNCs should capitalize on the environmental competence of compatriot candidates to ensure efficient operations in the foreign country. The underdeveloped functional competency of these candidates can be improved with extensive functional training at company headquarters, which will indoctrinate them into the organizational culture while providing specific technical training. As in the case with cultural training for parent country nationals, the efficacy and cost of functional training for host country nationals must be taken into account during selection.

Ideally, organizations should maintain a cadre of cosmopolitan managers who possess high degrees of both functional and environmental competency. Unfortunately, limited human resources are usually the case. The selection strategy for cosmopolitan candidates is quite simple and obvious, since firms able to find such candidates would select them immediately because they require no training. Similarly, the selection strategy for rookie candidates is also quite clear since rookies would be rarely selected due to their extensive, time-consuming, costly training requirements. In reality, however, cosmopolitan candidates may be nonexistent or scarce and rookie candidates call for too much training, leaving firms no choice but to select either parent-country strategists or local compatriots and to provide them with training to improve their area of weakness. As such, the training requirements of candidates become a critical factor in the selection process itself. The selection strategy for a strategist and compatriot candidate is more complex and complicated since it needs to be integrated with training requirements. Firms must not only evaluate candidates based on their competencies, but also incorporate the type and extent of training

required into the selection process. The following section explains how headquarters' control needs influence this process.

LEVEL OF CONTROL, CANDIDATE SELECTION AND TRAINING REQUIREMENTS

The organization's desired level of control determines the types of candidate and the optimal level of training. After examining candidate qualifications and training requirements, firms need to evaluate the nature and extent of training required to perform the job, which will affect the cost of training, measured both in terms of financial investment and length of time.

Strategic Control

As global competition continues to intensify, it becomes increasingly important for multinational corporations (MNCs) to maintain control over their international operations (Vernon et al., 1996, Bartlett & Ghoshal, 1988; Geringer & Hebert, 1989; Martinez & Jarillo, 1989). Appropriate control will ensure that the MNC's strategic goals are met and deviations from standards are corrected so that subsidiaries act in accordance with headquarters' policies. Control refers to an MNC's ability to enforce its various operating units around the world to act in accordance with its overall policy in a systematic and coherent manner. Such a task often represents a major challenge for MNCs as their global strategies or policies may not necessarily coincide with the local unit's profit-maximizing strategies (Evans et al., 2002; Harzing, 2001, Hedlund, 1994; Roth et al., 1991, Doz & Prahalad, 1988, Gomes-Casseres, 1990).

The degree of control required, however, varies with the organization, division, project and assignment. Firms must assess strategic control needs in each case and match these requirements with the costs incurred by exerting control.

Firms also need to consider the environment of the foreign operation in the assessment of control requirements, as certain host countries may demand greater degrees of control than others depending on political factors, legal factors, cultural factors, and scale and type of operations. Factors that influence the degree of control may include the purpose of the international operation, the extent and maturity of the international operations, the level of cultural integration required, and the need for flexibility, responsiveness, and autonomy of foreign subsidiaries. The level of organizational control required will affect the selection of a candidate and the extent of the training to be given.

Type and Extent of Training

Once the desired level of organizational control is ascertained, firms should proceed by evaluating candidates with regard to the type and extent of the training they require. A visual plan for international management selection can be developed by plotting the types of training on the horizontal axis and extent of training that encompasses time

and cost on the vertical axis of the four-compartment matrix as seen in Figure 2. Black and Mendenhall (1989) presented a model showing the relationship of high- and low-rigor training with methods of delivery and time spent on training. According to them, low-rigor training includes approaches such as lectures, films, area briefings, and books. High-rigor approaches include interactive language training, assessment centers, and sophisticated simulations.

Figure 2: Level of control, candidate selection, and training typology

		TYPES OF TRAINING	
		CULTURAL	FUNCTIONAL
EXTENT OF TRAINING	HIGH	<p>MAXIMUM CONTROL</p> <p>STRATEGIST</p>	<p>MODERATE CONTROL</p> <p>COMPATRIOT</p>
	LOW	<p>MODERATE CONTROL</p> <p>STRATEGIST</p>	<p>MINIMUM CONTROL</p> <p>COMPATRIOT</p>

Despite numerous studies on the effectiveness of expatriates' cross-cultural training (Black & Mendenhall, 1990; Deshpande & Viswesvaran, 1992), it is not clear whether cross-cultural training in its traditional form can provide expatriates with the necessary insights and skills to succeed (Kealy & Protheroe, 1996; Selmer, Torbiorn, & de Leon, 1998). Mendenhall & Stahl (2000) even argue that pre-departure cross-cultural training is neither sufficient nor effective and the training should continue after the arrival of expatriates on a real-time basis. Cross-cultural training research by Earley (1987) and Harrison (1990) indicates that cultural training has not been very effective, even when conducted through a combination of experiential and area studies approaches. However effective cultural training may be, costs, measured in terms of financial expenditures and time spent, increase with the extent of the training. In stark contrast to the existence of abundant literature on cultural training, research on the effectiveness of functional training is virtually non-existent. We believe that this is because functional training can be designed more specifically and better structured to accommodate the trainee's needs. Conversely, it is really difficult to find a short cut in learning about a new culture and how to deal with it. Accordingly, less

risk of failure is involved in teaching technical competences through functional training.

Research Propositions

The use of expatriate personnel has been recognized as an important control mechanism to monitor and evaluate the activities and behaviors within a subsidiary (Edstrom & Galbraith, 1977; Tung, 1993; Kobrin, 1988; Bird & Mukuda, 1989; Beechler, 1990; Boyacigiller, 1990; Black & Mendenhall, 1990; Schuler, Dowling & De Cieri, 1993). Compared to their locally hired counterparts, expatriates are generally believed to have a better understanding of overall corporate priorities, an easier acceptance of headquarter determined rules, and a greater commitment to overall corporate goals (Doz & Prahalad, 1986; Kobrin, 1988). Expatriates' familiarity with the corporate culture and their headquarters' control system results in more effective communication and coordination (Scullion, 1994). Rosenzweig and Singh (1991) argue that expatriates are effective in replicating existing organizational specificities and the operating procedures of headquarters in their local units. Bartlett & Ghoshal (1988) further suggest that the transfer of managers from headquarters to overseas subsidiaries facilitates the creation of an information network consistent with corporate culture. This is because expatriates can learn functional behaviors congruent with corporate goals more easily than local managers, since they are more likely to understand corporate culture and strategy. More recently, Harzing (2001) argues that expatriates are used to effectuate personal and cultural control, in both a direct and indirect way. However, expatriates can be an effective means of control, only if they have significant cultural knowledge of the host country to which they are assigned (Paik & Sohn, 2002). Possession of an adequate level of cultural knowledge is critical for them to generate the commitment of the host country workforce to organizational values and practices of the parent company by overcoming cultural differences between home and host country.

Accordingly, to ensure maximum control, expatriates, i.e., parent-country strategists should be provided with extensive cultural training to improve their acculturation ability and efficiency in the foreign environment. Strategists able and willing to improve their environmental competence with extensive cross-cultural training will enhance their control ability to the maximum level by combining their newly acquired adaptation skills and already possessed functional competence. Corresponding costs will be high with this option due to the extensive nature of the cross-cultural training. To minimize the risk of failing to produce the desired results after extensive training, candidates should be carefully screened for their ability to benefit from cross-cultural training. Therefore,

Proposition 1: When maximum organizational control is required, an expatriate strategist should be selected and given extensive cultural training (upper left quadrant of the matrix).

When headquarters' control needs over foreign subsidiaries are low, MNCs prefer to hire host country nationals over expatriates since local market knowledge is more important than technical competence to manage foreign subsidiaries independent of headquarters. While the compatriot's high degree of environmental competency provides adaptability and efficiency in the foreign environment, the low functional competency of the compatriot results in the sacrifice of strategic control.

The risk of not producing the desired results through functional training is not as high as with cultural training, as suggested in the existing literature (Earley, 1987; Harrison, 1990). Since the efficacy of functional training is assumed to be relatively high, minimal functional training would likely generate benefit enough to meet a low level of strategic control. Costs would be minimized due to the limited extent of the training. Therefore,

Proposition 2: When the organization requires a low level of control, a local compatriot with minimal functional training is recommended (lower right quadrant of the matrix).

For a firm requiring a moderate level of control, two options exist: a compatriot to be given extensive functional training, or a strategist to be given minimal cultural training. First, a host-country manager equipped with extensive functional training will provide a moderate level of strategic control to the organization (upper right quadrant of the matrix). Nevertheless, extensive functional training for a compatriot will not usually result in the high level of organizational control an expatriate strategist can exert. Thus, this option is preferable when environmental competency is more important than technical competency in achieving business success in a host country.

The second option for moderate organizational control is that a parent-country strategist is given minimum cultural training (lower left quadrant of the matrix). The strong functional skills of expatriate managers will provide organizational control, but these strategists may have difficulty implementing their plans in the foreign environment due to their unfamiliarity with the local culture. Consequently, only a moderate degree of strategic control is achieved through this alternative. If the firm can accept this moderate degree of strategic control, they can reduce the time for the cultural training to be given to the parent-country strategist as well as the associated financial expenses of the training. Since expatriates' compensation is usually higher than that of host country nationals, firms need to carefully weigh the training costs savings against the compensation costs increases before making a selection between

expatriates and host country nationals. Given the lower extent of cultural training offered, it becomes even more important to carefully screen candidates for those skills and personal characteristics which are most amenable to the acculturation process. Therefore,

Proposition 3: When a moderate level of control is required, a firm has the option to choose between parent country strategists and host country nationals. The relative importance of technical competency versus environmental competency will determine the selection of the candidates as well as the extent of the training.

CONCLUSION

The existing literature on expatriate management has treated the candidate selection issue apart from training requirements. Furthermore, these issues have rarely been discussed from the perspective of headquarters' control needs. The main contribution of this paper is that it presents an integrated framework that explains how the level of control required by the parent company influences the selection process as well as the type and extent of the training necessary. MNCs must evaluate training requirements in conjunction with the competencies of candidates for international assignment. Once candidates' competencies have been examined, the required level of organizational control assessed, and training needs analyzed in terms of types and extent, firms can select the most appropriate international managers for their needs.

MNCs must develop competent international managers in order to survive in an increasingly competitive global environment. Through international assignments, firms can train managers to be more globally minded and provide them with the international experience necessary for future leadership of the organization. The selection and training of an international manager must be carefully orchestrated to best utilize the firm's resources, meet strategic control requirements, and develop managers.

The appropriate selection of expatriates versus local managers will help firms balance strategic control and management development objectives. To achieve this critical balance of managerial talent, the selection process of right candidates should take the type and extent of training required into account. Training can no longer be considered only a subsequent step in the development of a selected international manager, but it must be incorporated into the selection process itself. We believe that the suggested model, which integrates the two processes of selection and training given the level of control needs, provides a useful framework that contains significant policy implications for global human resource management of MNCs.

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