Chapter 23

Expatriate Selection and Retention: Identifying and Assessing the Other Characteristics beyond Knowledge, Skills, and Abilities

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ABSTRACT

Many international hotel chains (IHCs) have sent their employees, their expatriates, overseas to maintain corporate standards, fill skills gaps, and transfer technology and corporate culture in their worldwide properties. The workforce is the backbone of any organization, and IHCs should pay careful attention to trends as well as published research to reduce failures that will ultimately affect its financial state as well as the organization as a whole. This chapter will be on the hotel industry in China. Hence, the focus of this chapter is on the matter that when IHCs are selecting expatriates to send to China, IHRM and IHCs need to identify and assess these expatriates’ other characteristics (O). These O characteristics are: (1) desire to prematurely terminate an expatriate’s assignment; (2) stable competencies; and (3) intercultural/international business communication.

INTRODUCTION

Much research on expatriates’ competences derive from the study of sojourners, people who go to live and work in another culture on a temporary basis, but often for an extended period of time (Ho, 2012). Sojourner groups include business personnel, military personnel, foreign students, international development advisors, diplomats, emergency relief workers and international peace-keepers. Two major challenges, according to Tran (2008), confront all people making an international transition (please refer to Tran’s study for details regarding Tran’s research methods). The first challenges has to do with the person’s capacity to become well-adjusted and personally satisfied in the new culture. The second challenge has to do with the person’s potential to function and work.
effectively in the new environment. Accordingly, by definition, a competent expatriate is someone who is able to live contentedly and work successfully in another culture (Vulpe, Kealey, Protheroe, & MacDonald, 2001). Further, research has found that what predicts the ability to live contentedly in a new culture, often differs from what is needed to achieve professional success (Kealey, 1989).

Managers and multinational corporations (MNCs) face challenges of expatriation process anytime expatriates from one culture interacts with employees outside one’s home country. Littarell, Salas, Hess, Paley, and Riedel (2006) define expatriates as individuals who relocate from one country to another (Tran, 2008) for at least one year. Expatriate management is required when corporations experience shortages of local skilled management (Kaye & Taylor, 1997), when corporations wish to broaden specific individual’s experience by giving new ventures by entering new territories (Torbiorn, 1994). Edstrom and Galbraith (1977) identify three general corporation motives for making this type of transfer to fill positions, management development, and organization development.

As such, the purpose of this chapter is the third phase of the expatriate selection, identifying and assessing the expatriate candidate’s characteristics, also known as the other characteristics (O), beyond the knowledge, skills, and abilities (KSAs) (Ho, 2012; Kravetz, 2008; Tran, 2008). These O characteristics are (Ghafoor, Khan, Idrees, Javed, & Ahmed, 2011; Ho, 2012; Hsieh, Lin, & Lee, 2012; Joshua-Gojer, 2012; Ko & Yang, 2011; Rozkwitalska, 2012; Tran, 2008; Vojinic, Matic, & Becic, 2013):

1. Desire to prematurely terminate an expatriate’s assignment
   a. Extroversion
   b. Agreeableness
   c. Conscientiousness
   d. Emotional Stability
   e. Openness
2. Stable competencies
   a. Self-Maintenance Dimension
   b. Relation Dimension
   c. Perceptual Dimension
3. Intercultural/international business communication
   a. Different-Language Zones
   b. Same-Language Zones

If corporations are able to appropriately identify and successfully assess these O characteristics, productively harness their strengths, and effectively implement their purposes, then corporations are able to avoid expatriates’ failures, therefore, establish, build, and expand these corporations’ reputations, and increase the corporations’ return-on-investment (ROI). For corporations that are not able to appropriately identify and successfully assess these O characteristics, according to Tran (2008), have been plagued with financial and nonfinancial negative consequences. However, if done successfully, corporations are able to gain and possess a competitive advantage over other corporations who are less successful with their expatriate ventures. Hence, the focus of this chapter is on China, specifically on the hotel industry there. However, the need of identifying and assessing the other characteristics beyond knowledge, skills, and abilities in the expatriate selection process and for the purpose of retention, the other characteristics (O), the O factor, remains the same for the IHCs industry.

BACKGROUND: MULTINATIONAL CORPORATIONS (MNCS)

Multinational Corporations (MNCs), when expanding overseas, have to determine the staffing configuration in their multinational subsidiaries. As practice has proven, MNCs typically, in the initial period of a subsidiary operation, delegate their management, usually to a trusted parent country national (PCN) or, which is common, to