ATTRACTIVENESS OF FOREIGN ASSIGNMENTS IN EMPLOYEE RETENTION

Anagha Joshi

Abstract

The aim of the survey is to understand the desirability of having foreign assignments as a motivation factor for the employees. Foreign assignments enable the employee to enhance the skill. The employees are motivated because they are able to learn more due to foreign assignments. As they meet new people and take new learning’s from them. Organizations too are able to identify employee’s unexplored talent like leadership, problem solving ability, adaptability & flexibly to do work in different region. Though the scope of foreign assignment is limited to large organization it acts as a lucrative tool in attracting and retaining talent. The study was conducted in the city of Mumbai through e-questionnaires only. Data collect was analyzed using Excel based statistical tools.

INTRODUCTION

An assignment made in a foreign country, or in another state. Sending employees abroad can provide significant opportunities for companies as well as for employees. For expatriations to be a success for both parties, however, companies and expats must carefully consider the following aspects when selecting a location like current market situation and opportunities, added value of the country and its knowledge in a specific field, local savoir-faire and experiences that can be shared with other parts of the business, expat expectations and specializations. For example, engineers in the oil and gas industry are ideal for assignments in the Middle East or Africa. Expat profile and situation (gender, family, etc.) which determines the level of living conditions require.

Enhancing the chances of success for international assignments is not an easy task. Success does not depend only on the employee’s background, skills, abilities, and other personal traits. It is possible, however, that certain employees are better equipped than others to handle a particular combination of company issues, local issues, and assignment issues. It is also possible that, in general, certain personality styles facilitate international adjustment. The remainder of this article will focus, therefore, on personality. The FFM is probably the most important personality model to date. Professional success in a number of areas such as leadership, sales, customer service, and international adjustment. Some of the issues faced while foreign assignments are as, Company-specific issues such as internal culture, supervision, reputation, stage in the business cycle, and the amount of support given to the
expatriate employee before, during, and after the assignment. Local issues such as political and economic climate, local culture (the amount of difference between the assignee’s culture and the local culture may be particularly important), and the organizational culture at the local office. Assignment issues such as clarity of the role, role scope, volume of work, and level of authority assigned to the employee. Employee issues such as technical and professional expertise, previous intercultural experiences, motivation, family adjustment, and personality.

Current expat trends show that Western Europe and the US are the two biggest regions sending and receiving expats. London and Geneva are often considered to be the best cities in Europe while New York seems to be the favorite in the USA.

**RESEARCH OBJECTIVES**

The primary objective was to study the attractiveness of foreign assignments in employee’s retention.

Proposed hypotheses are as follows:

H1: Less than 60% of respondents agree that companies send the employees for foreign assignment.

H2: More than 35% respondents agree that MNC companies send the employee for foreign assignment.

H3: Foreign assignments are not independent on the type of organization.

H4: Foreign assignments are independent on total years of experience.

H5: On an average the respondent’s satisfaction level is 4 with foreign assignments.

H6: On an average the satisfaction level of respondent’s in MNC are 3 on foreign assignments.

**LITERATURE REVIEW**

According to Dr. Govind Dave and Kirti Makwana A study on assessing expatriate’s challenges during an international assignment: international human resource management perspective. Most of the respondents undertook international assignments were PCNs. The advantages of sending PCNs are better maintenance and facilitation of organizational control and coordination, talented managers are offered international exposure and are the best fit for
the job since they possess special skills and experiences. It also leads to cultural affinity by building common culture. The respondents found that the most challenging factor for adjustment was adapting to the local language, weather, food etc. of the host country.


**RESEARCH METHODOLOGY**

My research is based on 176 respondents based on non-probabilistic and judgment sampling. Selection of the sample unit is based on easy availability and accessibility. The research contains responses belonged to the population of all the working employee in the age group of 25 to 45, gender, occupation and type of organization. The research was conducted via e-from wherein responses were recorded in a Google doc. Data sources are primary and secondary both. Mode of data collection is e-questionnaires. The data collection was analyzed using test of proposition, chi square test and test of means.
DEMOGRAPHICS

Age of respondents

- 25 to 30 years: 46%
- 26 to 30 years: 46%
- 31 to 35 years: 8%
- 36 to 40 years: 6%
- 41 years & above: 17%
- Less than 25 years: 23%

Total years of experience

- 3 to 6 years: 54%
- 6 to 9 years: 21%
- 9 to 12 years: 8%
- 12 years & above: 17%
- Less than 12 years: 26%
DATA ANALYSIS

TESTING OF HYPOTHESIS

Hypothesis 1: Test of Proposition

| Ho: More than 60% of respondents agree that companies send the employees for foreign assignment |
| Ha: Less than 60% of respondents agree that companies send the employees for foreign assignment. |

Ho: p>60%
Ha: p<60%
left tailed test
Test of proportion
Alpha = 0.10
Probability = 0.10
Z critical = (1.28)
Calculating the observed value
X = 89
N = 176
P’ = 50.6%
P = 60%
q = 40%
p’-p = (9.4%)
p*q = 24.0%
sqrt(p*q/n) = 0.04
pp
sqrt(p*q/n) = (2.55)
Zobserved = (2.55)
p-value = (0.01)
alpha (0.10)
(0.01)< (0.10), p-value<alpha

Observation: We reject the Null. Less than 60% of respondents agree that companies send the employees for foreign assignment.

Insights: From the Organization Perspective there may be limited pool of people that have necessary job skill so most of the companies don’t send employees for foreign assignments. Also, the company’s expenses will increases as company has to give the allowances to the employee. But from the employee perspective they may not have a command over the local language so employees would be reluctant to go for foreign assignment.
Hypothesis 2: Test of Proposition

<table>
<thead>
<tr>
<th>Hypothesis 2: Test of Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ho: less than 35% respondents agree that MNC companies send the employee for foreign assignment</td>
</tr>
<tr>
<td>Ha: more than 35% respondents agree that MNC companies send the employee for foreign assignment.</td>
</tr>
</tbody>
</table>

Ho: P >20  
Ha: P <20  
left tailed test  
Test of proportion  
Alpha = 0.10  
Probability = 0.10  
Z critical = (1.28)  
Calculating observed Value  
X = 56  
N = 176  
P' = 32%  
P = 35%  
q = 65%  
p'-p = (3%)  
p*q = 22.75%  
\[\sqrt{p*q/n} = 0.04\]  
p'-p  
\[\sqrt{p*q/n} = (0.88)\]  
Z observed = (0.88)  
p-value = 0.19  
alpha = 0.10  
p-value < alpha

Observation: We reject the Null. More than 35% respondents agree that MNC companies send the employee for foreign assignment.

Insights

Sending the employee for foreign assignment there may be legal risk for the organization. It could be a possibility that employee may resign from the job before completing the assignment so company has to do recruitment for the new employee. Dealing with an entirely new culture, feeling of isolation etc could all lead to a high burnout rate and stress.
Hypothesis 3: Test of Independence

Ho: Foreign assignments are independent on the type of organization
Ha: Foreign assignments are NOT independent on the type of organization

<table>
<thead>
<tr>
<th>Row Labels</th>
<th>Observation (fo)</th>
<th>expected (fe)</th>
<th>(fo-fe)</th>
<th>(fo-fe)^2</th>
<th>(fo-fe)^2/fe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>116</td>
<td>86</td>
<td>30</td>
<td>900</td>
<td>10.47</td>
</tr>
<tr>
<td>MNC</td>
<td>56</td>
<td>86</td>
<td>-30</td>
<td>900</td>
<td>10.47</td>
</tr>
</tbody>
</table>

Foreign assignments are independent on the type of organization

Foreign assignments are not independent on the type of organization

Right test
Chi square test
Alpha = 0.1
Probability =0.1
Critical value = 2.71
Observed value = 20.93
P-value =0.00
Alpha = 0.1
p-value<alpha
we reject the null

Observation: We reject the Null. Foreign assignments are not independent on the type of organization.

Insights:

Usually international companies send their employees for foreign assignment. For foreign assignment company’s needs skilled employees. To send the employees for foreign assignments company need to give adequate training to the employees so that they can work effectively.
Hypothesis 4: Test of Independence

Ho: Foreign assignments are independent on total years of experience.
Ha: Foreign assignments are not independent on total years of experience.

<table>
<thead>
<tr>
<th>Row Labels</th>
<th>Observation(fo)</th>
<th>expected(fe)</th>
<th>(fo-fe)</th>
<th>(fo-fe)^2</th>
<th>(fo-fe)^2/fe</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>83</td>
<td>85</td>
<td>-2</td>
<td>4</td>
<td>0.05</td>
</tr>
<tr>
<td>Yes</td>
<td>87</td>
<td>85</td>
<td>2</td>
<td>4</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Right tailed test

chi square

Alpha = 0.1
Probability = 0.1

Critical value = 2.7

Observed value = 0.1

P-value = 0.76

Observation: We fail to reject the Null.
Foreign assignments are independent on total years of experience.

Insights:

Foreign assignments are very important for the company so company need to send the experienced resource. For an employee it is very important because they get exposure to new environment, gain new experience and new things to learn. An employee going for a foreign assignment needs to be skilled to do the work.
Hypothesis 5: Test of means

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ho</td>
<td>On an average the satisfaction level towards foreign assignments opportunities is not 4</td>
</tr>
<tr>
<td>Ha</td>
<td>On an average the satisfaction level towards foreign assignments opportunities is 4</td>
</tr>
</tbody>
</table>

H₀ : = 4  
Hₐ : ≠ 4  

two tailed tail  
T test  
Alpha = 0.10  
Probability  
T critical = (1.65)  
X' = 3.2  
μ = 4  
x' - μ = (0.8)  
s = 1.44  
n = 176  
T observed (0.04)  
P value  
Alpha  
t observed > t critical  
we reject the null

Observation: we reject the Null. On an average the respondent’s satisfaction level is 4 with foreign assignments.

Insights

The employees are partially satisfied because they are able to learn more due to foreign assignments. As they meet new people and take new learning’s from them. The employees might have faced some issues like being away from family and other adaptability problems.
Hypothesis 6: Test of means

\[ H_0: \text{On an average the satisfaction level of respondents in MNC is not 3 on foreign assignments.} \]
\[ H_a: \text{On an average the satisfaction level of respondents in MNC is 3 on foreign assignments.} \]

\[ H_0 = 3 \]
\[ H_a : \neq 3 \]

two tailed tail

Test of Means

\[ \text{Alpha} = 0.10 \]

\[ \text{Probability} \]

\[ T \text{ critical} = (1.65) \]

\[ X' = 2.98 \]

\[ \mu = 3 \]

\[ X' - \mu = (0.02) \]

\[ S = 1.44 \]

\[ N = 176 \]

\[ T \text{ observed} = (0.18) \]

\[ P \text{ value} \]

\[ \text{Alpha} \]

\[ T \text{ critical}>t \text{ observed} \]

we reject the null

**Observation:** We reject the Null. On an average the satisfaction level of respondent’s in MNC are 3 on foreign assignments.

**Insights:**

Employees are motivated by foreign assignments. They might not be completely satisfied due to the pay they get from the company or too much work pressure. Employee may be stressed while working on foreign assignments due to various reasons.
CONCLUSION

This study was conducted to highlight the effectiveness of foreign assignments as talent management’s tool. In this research we came to know that the type of organization is dependent on foreign assignments. Very less numbers of employees from MNC are send for foreign assignments. The total year of experience also play an important role in assigning the foreign assignment. The employees are satisfied by the foreign assignments.

LIMITATION

Most part of our study was conducted through online forms so only few offline user responses were part of the research. Since we opted to survey a sample rather than the entire population conclusion may be a bit sketchy. Only certain parameters have been taken into consideration. The analysis will be based on the current data, as such it may lose its relevance in the future.

REFERENCES

1. http://iaeme.com/MasterAdmin/uploadfolder/IJMHRM_07_02_003/IJMHRM_07_02_003.pdf