Section 1: Academic papers

Selecting expatriates for increasingly complex global assignments

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Abstract
As organizations globalize their operations, there is a heightened need to identify and select qualified managers for overseas assignments. The increased complexity of these foreign assignments necessitates a recalibration of the traditional selection procedures and processes used in the past. In particular, there is some evidence that expatriation becomes strategic as organizations increasingly grow and compete globally. Therefore, the critical issues, which arise as expatriates assignments evolve into a global assignment scope, must be viewed in a systematic manner. This paper develops a unique theory-based expatriation selection process based upon a systemic assessment of potential expatriate candidates’ multiple IQs, learning styles, thinking styles, and the nature of the expatriate assignment. In addition, a practical step-by-step managerial process is developed that can be used in the selection of expatriate managers for global assignments.

Introduction
The globalization of business has accelerated at a pace that has frequently outpaced many organizations’ ability to identify and develop an adequate number of qualified expatriate managers (Welch, 1994; Stroh and Caligiuri, 1998; Gregersen et al., 1998). The ability to compete in increasingly hypercompetitive global markets necessitates having qualified global managers who have competencies that differentiate the organizations’ strategic choices (Bartlett and Ghoshal, 1986; Pfeffer, 1994; Ghoshal and Bartlett, 1997). A successful global manager will have to possess a complex amalgamation of technical, political, social, organizational and cultural competencies beyond those found in many of the expatriates. While these early studies identified a number of specific issues that could impact on the success or failure of expatriate managers, initially very little was done to develop a systematic approach to the expatriate selection process.

The purpose of this paper is to examine past methods used in the selection of expatriate managers; develop a competency-based theoretical foundation for a new integrated model for the selection of expatriate managers; and illustrate the managerial implications of the selection model and develop a recommended procedure for managerial practice. Each of these sections of the paper will be discussed in the following sections of the paper.
failure that were gleaned from research conducted on expatriate selection. This type of
diagnostic approach to the research of
expatriation did not provide an integrated
theoretical view to guide practice of
expatriate staffing. The explanatory approach
to expatriate selection has, however, been
recently modified toward a more predictive
approach to take into consideration an ex ante
examination of personality characteristics of
potential expatriate managers.

Specifically, researchers have
concentrated their attention on the
predictive power of the big five personality
characteristics for expatriate success. The
five characteristics examined are:
1 extroversion – individuals that
successfully assert themselves and gain
acceptance in the social environment
through social relationships (Ones and
Viswesvaran, 1997);
2 agreeableness – being identified as a team
player through the formation of reciprocal
social alliances and the building of social
capital in the organization (Caligiuri,
2000);  
3 conscientiousness – trusted, diligent
cohorts that are productive and
supportive of increased organizational
performance (Hogan, 1996);
4 emotional stability – the intrapersonal
ability to adapt and cope with stress in
professional and personal spheres of one’s
life (Buss, 1991); and
5 openness and intellect – having the ability
for individuals to effectively complete
their functional assignment, and at the
same time an awareness of the
environment to allow for adaptation of
their behavior to changing conditions in
that environment (Behling, 1998).

While these personality characteristics are
thought to have a predictive power relative to
the success of expatriate managers, the
empirical research to fully support this
position is somewhat lacking. In a
comprehensive review of 117 empirical
studies using the big five personality
characteristics, Barrick and Mount (1991)
found that conscientiousness was the best
single predictor of individual performance.
The same sort of survey of research was
conducted in Europe, resulting in similar,
although not as strong, results. Moreover, the
tie to organizational performance using the
big five personality characteristics as the
primary selection means is also somewhat
tentative (for a review of the issues see Wood
(1999)). In addition to the big five personality
attributes, the development of classifications
or categories of soft social skills has been
used for the selection of managers.

Figure 1
Predicting success/failure of expatriate managers

<table>
<thead>
<tr>
<th>Expatriate Performance</th>
<th>Individual</th>
<th>Organizational</th>
<th>Environmental</th>
<th>Systemic</th>
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<tr>
<td><strong>SUCCESS</strong></td>
<td>• Big “5” personality characteristics&lt;br&gt;• technical competence&lt;br&gt;• cultural adaptability&lt;br&gt;• previous cultural adjustments&lt;br&gt;• extensive foreign travel</td>
<td>• cross-cultural training&lt;br&gt;• repatriation program&lt;br&gt;• knowledgeable HRM managers&lt;br&gt;• separate HRM process/procedures&lt;br&gt;• mentoring program</td>
<td>• relocation to similar economy/culture&lt;br&gt;• reduced government restriction&lt;br&gt;• similarity of languages</td>
<td>• planning perspective&lt;br&gt;• integrated HRM system&lt;br&gt;• increased use of technology&lt;br&gt;• flexibility of HRM system&lt;br&gt;• consistency of systems globally</td>
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<tr>
<td><strong>REPRESENTATIVE RESEARCH</strong></td>
<td>Caligiuri, 2000; Stroh and Caligiuri, 1998; Ones and Viswesvaran, 1999; Spreitzer et al., 1997</td>
<td>Harvey et al., 1999</td>
<td>Barlett and Ghoshal, 1997</td>
<td>Lado and Wilson, 1994; Harvey, 1996a,b; Fish and Brewster, 1999; Fish and Wood, 1996</td>
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<tr>
<td><strong>FAILURE</strong></td>
<td>• family issues&lt;br&gt;• unwillingness to be relocated&lt;br&gt;• dual career issues&lt;br&gt;• commitment to assignment&lt;br&gt;• lack of language capabilities</td>
<td>• lack of career planning&lt;br&gt;• inadequate orientation&lt;br&gt;• inadequate compensation programs&lt;br&gt;• inadequate training programs</td>
<td>• emerging markets&lt;br&gt;• restrictions on HR by government&lt;br&gt;• hostility (climate, health care, etc.) of environment&lt;br&gt;• cultural taboos (women, minorities)</td>
<td>• “centric” HRM orientation&lt;br&gt;• ad hoc case-by-case negotiations with candidates&lt;br&gt;• inadequate career development process during foreign assignment&lt;br&gt;• ineffective performance appraisal system</td>
</tr>
<tr>
<td><strong>REPRESENTATIVE RESEARCH</strong></td>
<td>Harvey, 1998; Fish and Wood, 1997a</td>
<td>Brewster and Pickard, 1994; Brewster, 1995; Chen, 1994; Flookowski and Fogel, 1999</td>
<td>Harvey et al., 1999; Dowling et al., 1999</td>
<td>Harris and Brewster, 1999; Fish, 1999</td>
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Several skill classification schemes illustrate the intent of the practitioners to establish multiple means to predict success for expatriate managers. The Ashridge Management Research Center identified five skill categories with multiple items in each category:

1. strategic awareness and support;
2. adaptability in new/novel environmental situations;
3. sensitivity and openness to other cultures and social mores;
4. language capabilities; interpersonal communication skills (Harris and Brewster, 1999).

Other studies supporting the “soft” skill approach (i.e. skills not directly tied to technical training and functional expertise) have extended the number of categories to include: global awareness, corporate strategy, cultural empathy, cross-cultural team building, international negotiation skills, ethical understanding of conducting business in foreign countries, and self-confidence. Many practitioners feel that these additional screening devices augment the more traditional personality characteristics-based selection tools. But most recently, IHRM has begun to develop a more systematic approach to the entire human resource management process.

There is a growing group of academic IHRM researchers that contend that selection and other human resource functions should not be viewed separately, but must be viewed as an integrated system of human resource functions (Becker and Gerhart, 1996; Huselid, 1995; Huselid et al., 1997). IHRM researchers appear to have adopted this systemic approach toward human resource functions by developing integrative IHRM frameworks (for example see, Dowling et al., 1999; Taylor et al., 1996; Welch, 1994). Therefore, the selection process would have to be fully integrated into the other human resource functions such as training/development, compensation, performance appraisal and the like.

These integrated human resource systems should be attuned to the strategic position taken by the firm relative to its future global expectations. By examining all the human resource functions as a system, it is felt that better collective human resource decisions will be made, which will increase the consistency among the various operating units in a global network. It would be difficult at this juncture in evaluating the selection process for expatriate managers to claim that the selection of these managers is a systemic well-articulated and documented process. The complexity associated with selection of expatriates to fill changing assignments is becoming more vexing given the staffing requirements associated with global organizations entering emerging markets. It would therefore appear to be a propitious time to develop an expatriate selection process that is keyed to multiple abilities of candidates, better understanding of candidates’ methods of learning, and the overall competence of managers across a broad spectrum of personal and professional skills. If organizations are going to be effective global competitors, the competence repertoire of expatriate managers will play an integral role in the effective development and implementation of the organizations’ strategies. Therefore, developing a competency-based theoretical view of expatriate selection provides the frame for examining such a process.

### A competency-based view of expatriate selection

A competency-based view of the relationship between human resource management and expatriate staffing suggests that input, managerial, and transformation-based competencies operate interdependently, creating firm-specific competencies that can produce a sustained competitive advantage (Lado and Wilson, 1994). A competency-based perspective explicitly addresses the dynamic nature of the global environment by acknowledging that the initial set of competencies (i.e. organizational and individual) should be renewed by the development of new competencies through orchestrated selection of better/more qualified expatriate managers. This renewal suggests that a global organization should formulate its strategic intent to discover and develop new competencies of strategic relevance through development of the complementary competencies to those possessed by past expatriate managers (Sanchez et al., 1996).

Figure 2 illustrates the basic components of a competency-based strategic choice process. Competencies are divided into three distinct categories:

1. **input competencies** – capital, labor, physical assets, and other factor inputs to the global organization;
2. **managerial competencies** – top management team (TMT) capabilities, managerial social knowledge, informal internal/external business networks of global organizations, and personal social capital of expatriate managers that can be
used to accomplish the mission of the organization; and

3 transformation-based competencies – the ability of management to accomplish the tasks necessary to gain competitive position in the marketplace, which assumes adaptability and learning capabilities embedded in the expatriate manager as well as the global organization (Harvey et al., 1999).

As is depicted in Figure 2, the three types of competencies can be bundled to provide a set of strategic choice options. A greater set of competencies throughout the operating entities of the global organization equates to improved strategic options. The strategic choice options are weighed against the opportunities in each of the host country’s environmental contexts. As the level of competencies increases and the environmental contexts become more uncertain, management may make future strategic choices to position the global organization dynamically in the business landscape based on the competent advice from the globally dispersed expatriate network. This continuous expatriate-sourced reassessment of competencies and market changes allows the organization to develop a global competency unique from other organizations competing in hypercompetitive market segments (Harvey et al., 1999). Each of the specific types of competencies will be briefly discussed.

**Input competencies**

Input resources play a critical role in developing sustained competitive advantage within the firm value chain. These are the same competencies that would be identified in a resource-based view of the firm: the bundled tangible and intangible internal resources (Oster, 1990) that are valuable, rare, imperfectly mobile, and inimitable (Barney, 1991). These input resources may include physical assets, organizational capital, and specific human resources that enable an organization to effectively compete in the global marketplace with valued products and services (Lado and Wilson, 1994).

Specific to global organizations attempting to develop dynamic capabilities through expatriation of managers is the identification and selection of an adequate number of qualified managers with a strong desire or interest in managing in subsidiaries. These input human resources may also include third country nationals employed in overseas subsidiaries who share their tacit knowledge of the local context with members of the home country organization.

**Managerial competencies**

Managerial competencies focus on the global organization’s vision of the TMT and the decisions and actions necessary to realize that vision (Lado et al., 1992). Managerial competencies may create sustained competitive advantage directly if the TMT is able to exploit unique expatriate specific competencies. These competencies are
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As these managerial competencies develop, the resulting outcomes from implementing new strategic visions may reshape the thinking, actions, and even the worldview of the TMT, making it ultimately evolve into a global mindset (Kefalas, 1998; Paul, 2000).

Specific to expatriate staffing of subsidiaries, a competency-based perspective would suggest that a diverse and heterogeneous set of cognitive perspectives (Mahoney and Pandian, 1992) and managers’ coordination capabilities (Sanchez et al., 1996) can encourage superior performance of the network of subsidiaries. The objective would be to create multidimensional competencies to facilitate effective implementation of global, as well as local, initiatives. The importance of global assignments for expatriate managers is directly tied to their ability to transfer knowledge and cultural attributes of the headquarters to overseas operations (Bender and Fish, 2000). Developing this multilevel competency through knowledge transfer may result in a superior performance of the organization (Wright et al., 1994).

Transformation-based competencies

The TMT may also need to acquire and develop competencies to more effectively address issues and collaborative relationships with external entities and institutions (i.e. government agencies, banks, suppliers, customers, strategic alliance partners) and key individuals in the host countries. This broad set of competencies has been labeled as transformation-based. Transformation-based competencies are those that enable the foreign subsidiary to transform inputs into outputs and may include alliance-based technology or marketing innovations that facilitate new product and customer relationship development (Lado et al., 1992). Similarly, these competencies may create a collective experience base and/or learning capability, resulting in an organizational culture conducive to learning that is difficult for competitors to replicate and therefore can create a relative competitive advantage over other global organizations (Taylor et al., 1996; Roth and O’Donnell, 1996).

It is imperative to transfer transformational competencies through cross cultural manager assignments, thereby building more diverse and pluralistic management teams in overseas operations (Fish and Wood, 1997b). Transformation-based competencies can play a specific role in global organizations and their subsidiaries. First, there may be situations, outside the global organization’s network of relationships, which may require tacit local knowledge to explore business relationship options and exploit opportunities in a specific geographic area or culture. By utilizing competent expatriates with multiple skills, global organizations are developing a resource competency of such tacit knowledge that is difficult for global competitors to duplicate. Furthermore, the tacit knowledge gain through having highly qualified expatriate managers in foreign subsidiaries can be brought back and embedded into the domestic firm-specific routines, which in turn can facilitate organizational learning, ultimately increasing organizational effectiveness in global competitive positioning.

By combining the three types of competencies effectively, the global organizations can configure a repertoire of strategic choices relative to a specific national competitive environment, while at the same time being mindful of the need to maintain consistency among subsidiary policies/procedures. Such consistency is derived from the development of a TMT global mindset, which in turn thrives on the creation of an adequate pool of global managers with complementary competencies and maintains a proactive posture relative to the value of assembling, motivating, and retaining a multicultural management team for use in global organizations (Kedia and Mukherji, 1999; Kefalas, 1998; Paul, 2000). Therefore, an expatriate staffing system needs to be developed that facilitates effective deployment of the firm-specific competencies based on individual competencies of expatriates.

Competency-based model of expatriate selection

In an effort to develop a more comprehensive selection process of expatriate managers for increasingly complex global assignments, a model has been developed to highlight the key decision variables in the method (see Figure 3. The basic premise of the model is that potential expatriate managers have multiple “IQs” that need to be inventoried to determine the unique skill set of each candidate (Sternberg, 1996). In addition, each candidate has “potential” to learn additional competencies, but one’s learning style directly impacts on the learning process of new competencies. By having an insight into a learning style, development programs can be designed to complement the expatriate
candidate’s learning style (Kolb, 1974, 1978; Mumford, 1999). The ability (i.e. multiple IQ and additional learning) is the basis of the competencies required to effectively manage in complex global assignments. But one must look beyond abilities and learning styles at the expatriates’ “action assessment” styles (i.e. thinking styles) to determine how the IQs and additional learned skills interact in solving complex managerial problems with action in mind (Sternberg, 1994a, 1994b, 1997c; Ceci, 1996). The action context/environment and the type of task also interact as important issues when assessing the performance of potential expatriate managers. Each of the elements in the model will be briefly discussed.

**The use of multiple IQs**

The selection of expatriate managers can start by using a series of multiple IQs as indicators of the abilities of each potential candidate. By focusing on a set of eight IQs, expatriate selection can be based on a composite of IQs, and later can be used as a template to be matched with the requirements of the expatriate’s overseas position. Figure 4 provides definitions of each IQ and explains how the eight IQs, used in the selection of expatriate managers, are derived from three theory-based categories. These three categories of IQs are modeled after the triarchic theory of human intelligence (Sternberg, 1985, 1996) and are classified in the following manner (the references below represent background research on each IQ):

1. **Analytical intelligence** – the planning, implementation, evaluation of problem solving processes and knowledge acquisition, which includes: cognitive intelligence (Binet and Simon, 1916; Wechsler, 1950) and emotional intelligence (Cooper and Sawaf, 1997; Gardner, 1999; Goleman, 1995; Dulevicz, 2000).

2. **Practical intelligence** – tacit knowledge that can derive common sense, intuition, and “street smarts” knowledge to adapt to an environment or to shape the environment to the problem facing the manager, which includes: political intelligence (Ferris et al., 1994), cultural/social intelligence (Cantor and Kihlstrom, 1987; Sternberg and Smith, 1985; Serale and Ward, 1990), organizational intelligence (Wagner and Sternberg, 1986; Davenport and Prusak, 1998) and network intelligence, (Albrecht and Adelman, 1987; Smith, 1997; DeBurca and McLoughlin, 1988; Ford, 1998).

3. **Creative intelligence** – the ability to develop innovative solutions to new problems in novel environments, which includes: innovative intelligence (Lubart and Sternberg, 1995; Sternberg and Lubart 1995, 1996) and intuitive intelligence (Keegan, 1982; Parikh, 1994; Shirley and Langan-Fox, 1996; Weick, 1998; Anderson, 2000).

The use of the multiple intelligences to identify potential expatriate candidates provides the human resource management with a detailed inventory of the potential expatriate competency base, and at the same time provides a semantic for an on-going development program for each manager.
Once the ability inventory is taken, the next stage of the expatriate selection process is to examine how the learning styles of potential candidates influence their absorptive capacity to acquire new competencies.

The influence of learning styles
Researchers have developed a model of the learning process that is characterized as a four-stage cycle of learning (Jensen and Kolb, 2000). The learning process is envisioned as being active and passive, as well as concrete and abstract. The four states of the learning process are:
1. concrete experience, followed by
2. observation and reflection, which lead to
3. the formation of abstract concepts and generalization, which engender
4. hypotheses to be tested in future action, which in turn close the cycle leading to exposure to new experiences (Kolb, 1978).

Each stage of the learning cycle may take differing amounts of time, but the learner will attempt to structure each stage of the learning cycle in a formal or in an informal manner (Curry, 2000; Jensen and Kolb, 2000; Rayner, 2000; Saddler-Smith, 2000).

Four types of learning styles have been identified through research and clinical observations over the past 30 years using the learning styles inventory (Kolb, 1974, 1978).

The learning styles are:
1. Divergent learning style. This style of learning reflects the view of concrete situations from many perspectives and the organization of many relationships into a meaningful “gestalt”. The focus of learning in this learning style is on cognitive adaptation to environmental context by observation rather than by taking action (Kolb et al., 1995). As the strength of this style of learning is in the innovative manner in which these individuals attempt to learn, this would be an ideal learning style for potential expatriate candidates assigned to complex global assignments. Specifically, these individuals are most productive in learning in situations that call for the generation of multiple alternative ideas and in developing an array of potential solutions to managerial problems. In addition, it has been found that “divergers” have broad cultural interests and have the ability to assimilate into diverse groups or interact effectively within heterogeneous cultural settings. The divergent learning style often has a positive influence on the relationship between multiple IQs of individuals and their thinking styles, given the openness of these individuals to learning from diverse and complex environmental cues.

2. Convergent learning style. The “converger” is an individual who has the ability to learn through abstracting both the problem and the context/setting of the problem. The deductive conceptualization and experimentation with the abstracted facts by these potential expatriate convergers signals they are very good at structured problem solving, testing alternative solutions, and the formulation...
of a practical theory (i.e. to structure processes/routines from experience in order to form the bases for future decision making) (Bond and Wilson, 1998). The structured problem solving by relying on their cognitive IQ is the fundamental strength of expatriates with this learning style (Leonard and Kowalski, 1999). The hypothetical-deductive learning style is best suited to technical, specified problems with little need to interact with others, in that these learners are characterized by controlling both their emotions and the need for inclusion. Expatriate managers who are assigned for technical competency and have less to do with managing a diverse social set of individuals would best be selected if they were converger type of learners.

3 Assimilation learning style. Like the converger, the assimilator type learner has the ability to abstract complex problems/situations but, in contrast, uses inductive reasoning to find solutions to decisions. This “model building” type of learner is prone to integrating a variety of disparate information into an integrated model to solve problems (Mumford, 1999). As with the convergent learner, these individuals are less likely to be effective interpersonally, particularly within a heterogeneous group of individuals. Rather, the assimilator enjoys the process of learning and understanding. This type of learner is, however, less likely to want to actually implement what has been learned. As they view the process of learning as an end in itself, expatriate managers with an assimilation learning style are less likely to act upon the information or on the model that they have built. The ideal expatriate assignment for assimilators would be in a staff capacity to assist with technical issues or to support more decisive learners in the organization.

4 Accommodative learning style. As this learning style is goal-oriented, getting things done is the primary value of expatriate managers with this learning style. Such learning style stimulates risk taking, new opportunities, interaction with a diverse set of individuals, and cognitive adaptation to unique environmental contexts. These individuals are willing and able to adapt themselves to new environments and social settings making them ideal expatriate candidates for multiple assignments. The capacity for adaptive learning of these expatriate candidates is of particular significance when working/learning across cultures (Lam, 1998; McMurray, 1998). Their intuitive decision-making process relies less on theory and formalized routines and more on past experiences and their ability to “read” the minds of others. These expatriate managers would be utilized best in situations where informal interaction with a variety of individuals is a business necessity. Particularly, they are well-suited for marketing and sales type expatriates who are required to interact with others outside the foreign subsidiary (i.e. with customers, suppliers, governmental officials and the like).

The learning style inventory (Kolb, 1978) can be administered to potential expatriate managers to assist in determining how they will augment their existing IQ inventories, as well as what types of overseas assignments each individual would be best suited to combine effectively abilities with learning style. The learning style assessment becomes critical in identifying how on-going development of each expatriate manager should be undertaken, as well as in forming the bases for assignment tasks for various expatriate candidates. Given that most expatriate managers will need to employ a combination of their IQs in acquisition of new competencies, learning style analysis is a critical element in the selection process. As the type of learning style influences the relationship between a candidate’s IQs and critical thinking, the role and structure of expatriate thinking styles in a competency-based expatriate selection process need to be explored (Gadzella and Masten, 1998).

Developing an understanding of individual thinking styles

The multiple IQs and learning styles of expatriate candidates are the potential for accumulating competencies by overseas managers. But just as with any potential, there must be a mechanism to turn that potential into action. The action dimension of the assessment of expatriate candidates’ potential starts with determining their thinking styles (Sternberg, 1997a). A thinking style is a preferred way of thinking, not the natural or acquired ability, but rather, how an individual translates his or her ability and learning into intent for actions. In other words, expatriate thinking styles involve integrative utilization of their abilities and of learning styles. Putting knowledge/competencies to work, beyond having ability or attempting to learn, yields effective performance.
Individual thinking styles have been described as taking the following forms:

1. **monarchical thinking style** – the single-minded individual that is driven to succeed, may be counted on to reach the self-set or assigned objectives, and is less likely to be strongly influenced or distracted by the environmental uncertainty (i.e. high goal commitment and achievement orientation);

2. **hierarchical thinking style** – the individual thinking style that is based on setting priorities and recognizing that not all goals can be reached; therefore, these individuals tend to establish priors for others in the organization (i.e. an expatriate providing structure and a set of priorities for the foreign subsidiary);

3. **oligarchical thinking style** – a thinking style that is based upon doing more than one thing at a time and on willingness to undertake multitask assignments. Given their interest in performing multiple tasks, individuals with this thinking style have difficulty in establishing priorities and are frequently unwilling to focus on the primary goal/objective (i.e. may be perceived as not being decisive); and,

4. **anarchical thinking style** – lack focus in their thinking, frequently appear to be disorganized or random in their thinking processes, but are sometimes thought of as being highly creative thinkers. These individuals also appear to have difficulty making adjustments to the environmental context when it becomes dynamic (Sternberg, 1997a).

When selecting expatriate managers, knowing their thinking styles prior to their assignment can help to assist in selecting appropriate managers for particular assignments. The type of the assigned task, as well as the task environment (i.e. internal and external), can differentially influence the relationship between thinking styles and the execution of strategies. Some thinking styles of expatriates are more effective for solving less structured, new, and complex problems, which allow the expatriates to think on their own. These expatriate candidates are more readily willing to come up with their own way of doing things, and prefer to decide for themselves what they will do and how they will do it (Sternberg, 1997a). In contrast, there are those who prefer to follow existing routines and procedures, and only want to improve the efficiency of the processes.

Expatriate candidates seldom want to assess and evaluate the existing routines/procedures and to modify them to make the process fit the environment or task more closely (Sternberg, 1997a). Overall, a thinking style of an expatriate manager reflects the manner in which the expatriate attempts to make decisions, given the appropriateness of his or her abilities and learning styles to acquire competencies for solving problems. This action-oriented step is an important component in the selection of expatriate managers in that it reflects a pattern of taking action, which in turn, must match the task and environmental demands that the expatriate is assigned to in the global organization (Harvey, 1996a).

### The influence of the type of task

Tasks that expatriate managers face can be categorized into three types:

1. **coordination tasks** – are tasks that are integrative in nature and can be illustrated by the following types of tasks: developing a marketing plan, initiating an organizational change in a foreign subsidiary, or selecting foreign suppliers. These tasks require a finely orchestrated interaction between the domestic organization and the subsidiary where the expatriate manager is located at their boundary, and where speed, accuracy, and reliance on others are essential for the expatriate manager to accomplish such tasks successfully;

2. **computational tasks** – are more structured tasks that require utilization of an established body of knowledge and techniques for successful accomplishment. There is less ambiguity in these tasks and there is a known beginning and ending point in the set of activities comprising these tasks. While most computational tasks are fairly procedural, and may require a great deal of effort on the part of the expatriate manager, their demand on expatriates for coordination with others is lessened; and

3. **creative tasks** – are tasks that do not have “proven” answers or processes to find their solution and are dependent on the creative insights of the expatriate to find acceptable solutions. These tasks can be approached and/or framed in a number of different ways because a wide variety of information sources are to be scanned for creative task accomplishment (Hambrick et al., 1998).

Therefore, it is particularly difficult to measure the result/outcomes of performing such tasks.

An additional relevant attribute of a task is the difficulty of the task that the expatriate manager is attempting to resolve. In the determination of the relative “difficulty” of
the expatriate’s assignment, there are three dimensions of the task that have to be taken into consideration:

1. **The complexity of the task structure** – the array of potential alternative solutions, the number of cues/information sources relative to the task, the relationship between cues and criteria for solution of the task, and the number of steps or phases to the task;

2. **Ambiguity of the task content** – organizing principles of the task unknown or unavailable, previous expatriates’ experience with the task limited or not existent, high likelihood of failure/partial failure, and cues not clear as to how to frame the problem or organize the information to solve the task; and

3. **Form of task presentation** – only a brief time span available for judgment, judgment of cues dependent on perceptual predisposition of the expatriate manager. The greater the overall complexity of the task, the more skilled and “intelligent” (i.e. use of multiple IQs) the expatriate manager must be to address the cognitively demanding nature of global assignment tasks (Sternberg, 1996).

### The internal/external environmental context

The selection of an expatriate manager for a global assignment could be strongly influenced by the type of cultural environment to which the individual will be assigned (Harvey, 1996). The cultural distance between the home and host countries needs to be assessed in the expatriate selection process because it affects the nature of the expatriate task (i.e. whether the task is programmable or not). It is significantly more difficult for expatriates to contribute to the expertise of foreign operations if the cultures of the two countries are too dissimilar. In order to enrich the knowledge competency of the organization, the expertise of the expatriates have to “fit” in the knowledge context of the overseas assignment and the organization to which they are assigned (Bender and Fish, 2000).

Cultural distance is measured as a composite index of Hofstede’s (1980) cultural dimensions. Cultural distance affects an expatriate’s understanding of decision-making processes, work values, negotiation patterns, conflicts in J/Vs and wholly-owned subsidiaries, and fairness in reciprocity (Gomez-Mejita and Palich, 1997). Also, the degree of cultural distance will influence performance ambiguity and task definition (Hamilton and Kashlak, 1999). As a result, an expatriate’s task programmability and performance measurability will be inversely related to the cultural distance.

Like cultural distance, other influential factors from the external environment, such as host-country political risk and economic instability, also decrease an expatriate’s task programmability and output measurability. A recent measure that combines both of these two factors has been developed (Fatehi, 1994). The most challenging problem for human resource management is the definition of an expatriate’s task/performance criteria in the selection process when all of these three major environmental variables are salient.

As a result, the decision regarding which managers to expatriate to these extreme environments becomes critical.

Also, the nature of an expatriate’s task will likely vary with the industry in which the organization operates. An expatriate’s task and performance ambiguity will likely be higher for services than for products, as well as higher for consumer products than for industrial products. Finally, the factors from the internal environment that influence an expatriate’s task and performance should be taken into analysis, such as the organization’s global ownership patterns, top management team characteristics, strategic orientation for geographic and product diversification as well as cross-border acquisitions and joint venturing, and the organization’s prior experience in the host country as well as a candidate’s prior foreign experiences (Harvey et al., 1999).

### Managerial implications of expatriate selection model: recommended decision-making procedure

The specification of critical components of the model for selection of expatriate managers for complex global assignments needs to be translated into a manageable step-by-step selection procedure. The sequential selection process, recommended for managerial practice, is outlined in Figure 5 and briefly discussed below. The process guides international human resource managers how to design activities for each of the stages of the process. To be implemented, the expatriate selection process should be institutionalized both in the domestic organization and the foreign subsidiaries of the focal organization, because several the stages of the process occur during the expatriates’ overseas assignment.
Step one: identification of potential expatriate pool of candidates

Prior to assessing the multiple IQs, the learning styles, and the thinking styles of potential expatriate managers, a manager must ensure that the “pools” of candidates have been identified. In particular, if these expatriates are going to come from outside the organization, the method of how they can be identified/attracted must have been determined. In practice, expatriates most frequently have come from within the focal organization for a number of reasons:

1. Candidates are easier to identify and contact;
2. The background and developmental progress of the candidates are available;
3. Candidates are frequently easier to entice into taking an overseas position;
4. The explicit costs are generally less than those for the candidates on the market;
5. Internal candidates have social knowledge of the company’s culture, and are familiar with the value of international career paths; and
6. Internal candidates are trusted in the organization and, therefore, provide a means to extend control to the global operations (Harvey, 1996).

Identifying external expatriate candidates is a daunting task given the inadequate supply of qualified/experienced managers. The reservoir of potential external expatriate managers is limited and difficult to evaluate because they typically have the corollary negative characteristics/traits of internal expatriate candidates (i.e., hard to identify, background unknown, difficult to entice into the organization, significantly higher explicit costs, no prior knowledge of the company’s culture, and low trustworthiness due to lack of prior interaction with others in the organization).

There are, however, a number of implicit costs associated with selecting only expatriate managers from inside the organization, such as: reduced talent pool within the domestic market as competition is heightened in mature markets; in case of a higher than average failure rate of expatriate managers the company could be losing value managerial talents; and frequently managers will leave their company to avoid overseas assignments when dual-career couples are involved (Harvey 1995, 1996a, b, 1997). Many of these costs are negated with expatriate candidates from outside the organization. The primary problem remains, identifying an adequate number of qualified external candidates at a reasonable recruiting cost and with a high probability of attracting them to the organization.

Step two: assessment of IQ competencies of expatriate candidates

This stage in the expatriate selection process is directed at testing the eight IQs of the potential candidates. Each IQ must be measured and assessed as a complement to the other IQs and the type of assignment that is contemplated for the candidates. Measurement of each IQ can be accomplished by using existing techniques identified in the following research:

1. Cognitive IQ. There has been a long history of measuring cognitive intelligence with such measures as: Binet & Simon Basic Intelligence Test (1916); Thurstone Intelligence Test IV (1919); Wechsler Intelligence Test (1950); Cattell...
Given the variety of measures for each IQ, it is possible for the human resource managers to compare results among tests as well as retest candidates at some future time. Most of the tests that have been developed have been used extensively and are considered reliable measures for each IQ.

**Step three: determination of learning styles of expatriate candidates**

Like the multiple IQs, the individual learning styles of potential expatriate managers must be determined. Kolb has undertaken the most extensive empirical research on learning styles research over the last 30 years (Kolb, 1974). The learning styles inventory (LSI-IIa) has been widely used in industry and education to examine the preferred learning styles of thousands of individuals (Kolb, 1978). The LSI assists learners in understanding their strengths and weaknesses during the four stages of the learning cycle. The inventory measures the learner’s preferences in the four stages of learning. Preferences of one or more stages over others indicate the preferred learning style. The inventory is relatively inexpensive and self-administered by the expatriate candidate. This straightforward instrument provides the foundation for understanding the preferred future learning styles of expatriates, which is of importance when considering developmental needs of the candidate.

**Step four: determination of thinking styles of potential expatriate candidates**

As was stated earlier, the thinking styles reflect the action orientation of the potential expatriate candidates and are of great value in ascertaining the expatriates’ predisposition to making actionable decisions. This predilection to action becomes an important consideration, given the uniqueness of the expatriate candidates and are of great value in ascertaining the expatriates’ predisposition to making actionable decisions. This predilection to action becomes an important consideration, given the uniqueness of the expatriate assignments and the limited procedures/ routines that are established to guide decision-making by the expatriate managers. There are a number of key issues associated with thinking styles that must be taken into consideration when analyzing the preferred styles of potential expatriate managers:

1. styles are preferences in the use of abilities, not abilities themselves;
2. the consistency between thinking styles and abilities creates synergy, particularly if the two are consistent with the task requirements and the context of task accomplishment;
3. expatriate managers may have profiles/patterns of styles and are not relegated to one style in all situations;
4. styles are variable/adaptable across tasks and situations if the manager has an in-depth knowledge of their thinking and learning styles;
5 managers may vary fairly significantly in their thinking style flexibility;
6 the socialization of expatriate managers can directly influence their thinking styles and may require that a preferred thinking style is modified to fit the host country’s organization or culture;
7 managers thinking styles may vary across their career life-cycle and change, given their stage of their personal or professional life-cycle;
8 thinking styles are teachable and trainers may match their styles with expatriate managers when they are being trained for overseas assignments;
9 the expatriate manager’s preferred thinking style may not be “acceptable” in a new environmental context (i.e. culturally unacceptable or taboo within a cultural context);
10 thinking styles can be measured (Sternberg, 1997a).

Measurement of thinking styles has been developed and extensively explored by Sternberg and Wagner (for example, see Sternberg-Wagner self-assessment inventory models in Sternberg (1997a)).

**Step five: determination of assignment task and its environments (internal/external)**

A manager must first determine the type of the assignment task. Marketing and R&D expatriates commonly have creative tasks; production expatriates commonly have coordinative tasks; while finance and accounting commonly have computational tasks. The next step is to rank the expatriate task in terms of difficulty. In general, the difficulty of an expatriate task increases with its complexity, ambiguity, and incompleteness. These task characteristics are the representations of the variables from the organization’s external and internal environments.

The most salient variable in the external environment is the cultural distance between the country of the expatriate assignment and the host country of the organization. The measure for cultural distance was developed by Kogut and Singh (1988), and has been validated in subsequent research. The other two important variables from the external environment are the political risk and economic instability of the host country. The composite measure and the source publications for these two factors can be found in Fatehi (1994).

The important variables from the internal organizational environment which increase the difficulty of managing as an expatriate, are: the problems associated with managing in foreign hybrid organizational environments generally represented by combined ownership (i.e. joint ventures, strategic alliances); the top-management’s attitude relative to the strategic importance of the host country operations/market; and history of the organization’s prior experience in the host country market. This information is organization-specific and could have an impact on the expatriate ability to accomplish task specific objectives during the foreign assignment.

**Step six: assessment of family characteristics**

In the past, the number one reason for expatriate failures has been identified as problems associated with the expatriate’s family/spouse (Harvey, 1983, 1997; Fish and Wood, 1997a). Therefore, in selecting expatriates for global assignments, it is imperative to take the spouse and family into consideration when the selection process is being developed. The problems with expatriate spouse/family are becoming central not only to expatriate failure rates, but to the increase in refusal to relocate overseas (Harvey, 1997). These problems are being accentuated by the level of dual-career professional couples and concerns of the trailing-spouses as to how their careers will be affected by their partners’ transfer (Harvey, 1997; Harvey and Wiese, 1998; Harvey et al., 1999).

In an effort to reduce the negative impact of family related problems, a detailed analysis of the family life-cycle should be undertaken on each of the potential expatriate candidates. In this analysis of the family, the human resource management needs to determine: what stage of the family life-cycle the expatriates family unit is in (Harvey, 1996a); the stage of professional/career development of the expatriate’s spouse; the number of children and their stage of educational attainment; extenuating family considerations such as special education needs of children, health related issues for children, and other extended family considerations (i.e. sick/elderly parents); employment potential of the expatriate’s trailing spouse, and the past relocation experiences of the expatriate and his/her family. This assessment of family related issues should be undertaken prior to selecting managers to become candidates for expatriation and not as an “afterthought” once the expatriation training/development has been started (Fish and Wood, 1997a; Elkins and Phillips, 2000). The family issues can be significant enough, in that at certain
times or conditions, good expatriate candidates should not be selected for assignments due to family considerations.

**Step seven: development of repatriation program prior to expatriation**

To ameliorate some of the basic family issues associated with expatriation, the selection process should have a basic component that examines issues associated with repatriating the manager. Researchers have determined that the repatriation process plays a significant role in assisting the expatriate and their family with reentry adjustment (Harvey, 1989; Black et al., 1992). Therefore, repatriation plans for each expatriate candidate must be examined and plans established prior to selection. This is necessary for two reasons: to determine the complexity of the re-entry problems (i.e. the length of expatriation assignment, the cultural/economic distance between home and host country, the stage of family life-cycle, the readjustment issues associated with the spouse and family upon repatriation and the like); and to provide the expatriate candidate with vital information concerning the organization is undertaking to ensure a positive re-entry experience for the expatriate and their family. The development of the repatriation plan is also helpful in developing a succession plan and timetable concerning the expatriate and the position that they are filling overseas.

**Step eight: selection of expatriate candidates and assignments**

The final step in the selection process is the matching of the candidates with assignments, or at the least regions in which the candidates could be assigned. This stage is to underscore the point that expatriate managers cannot be seen as equally applicable to all expatriation assignments. The type of assignment, the country characteristics, the host organization culture/climate, and the nature of the task should all be taken into consideration when aligning the expatriate with the array of potential expatriation assignments.

**Summary/conclusions**

In the new competitive landscape of the knowledge-rich global economy, effective innovations, particularly those in human resource management systems, are the determining factor in the ability of organizations to adapt and exploit global opportunities. The global human resource management innovations are rooted within a given set of practices influencing organizational choices in a global context. In particular, the practices associated with transferring organization-specific knowledge, like the expatriation of key individuals, are central to generating flexible strategic options in global markets.

Effective expatriation requires a repertoire of individual competencies appropriate for integrating the tacit knowledge of local subsidiary contexts, which is scarce and dispersed in the global organization. This dispersal of knowledge creates coordination problems that go beyond the control problems addressed by the routine practice of expatriation. Rather, the expatriate abilities, learning, thinking, and acting must go beyond the mere “Bayesian updating of priors” (Foss, 1999, p. 465), to involve setting up new interpretative frameworks for handling new types of unforeseen problems encountered in global markets. Therefore, for effective organizational choices, to be supported by such innovative mental constructs, the development of an innovative expatriate selection process is necessary.

The proposed competency-based expatriate selection process heightens a global organization’s alertness to neglected opportunities in global markets, thus compensating for the potential problem of expatriate “hyper-ignorance” (i.e. expatriates not knowing what they do not know about new market opportunities) as the globalization process advances. Overcoming this cognitive constraint through appropriate expatriate selection process is an important activity in building a global mindset, which goes beyond the conventional management of information asymmetry between the headquarters and subsidiaries. Expatriates selected based on a set of competencies become the key foci of dispersed knowledge about global markets, and can promote the coordination of specific effective strategic choices. Therefore, the competency-based expatriate selection may contribute to the development of global dynamic capabilities.

Although only a portion of dispersed knowledge about global markets can be fully integrated through the competency-based expatriation, the resulting enhanced organizational planning ability can, however, successfully update top management’s knowledge base. Thus, the top management team may become more informed about which kind of specific knowledge is present in the global organization, which learning processes are evolving in foreign subsidiaries, and which knowledge and practices may successfully be transferred to other parts of the global organization.
It should be noted that when expatriate selection is competency-based, then these expatriates are able to capture those elements of the global market environment that are stable and possess unique features (i.e. are non-repeatable and idiosyncratic). The expatriates selected in the traditional manner would focus on the typical features and may not identify such specific features. With competent expatriates as its focuses of tacit and distributed knowledge, a global organization faces lower coordination costs, which arise in the process of acquiring and coordinating market knowledge in global markets.

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