International Human Resource Training in Swedish MNCs
Three Case Studies

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Preface

Writing this thesis for a period of ten weeks has caused much confusion but also many insights, there have been many ups and downs during the way. The purpose of the thesis was to gain a deeper understanding of Swedish MNCs’ international human resource training programs, and in our mind the purpose is fulfilled. Further, we would like to thank the people who made it possible to complete the thesis; our supervisor – Manucher Farhang, the respondents Stefan Andersson – Sandvik, Margareta Braun – ABB, and Sara Fredin – Atlas Copco.

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Abstract

MNCs today operate in a complex and uncertain environment which requires them to devote increased attention to international human resource management (IHRM) as well as training of international managers. The purpose of this study is to gain deeper understanding of Swedish MNCs’ international human resource (IHR) training in the context of MNC strategy and international human resource training programs addressing expatriates and host country nationals (HCNs). To reach our purpose we have chosen a qualitative and descriptive approach and conducted three in-depth telephone interviews with international human resource personnel at Swedish divisions of MNCs ABB, Atlas Copco and Sandvik. Findings show that Swedish MNCs focus attention to similar aspects within IHR training and that differences were greater regarding the companies expatriate training programs. IHR training within Swedish MNCs greatly emphasises continuous competence development, knowledge sharing, and implementation of core values necessary to attract, develop and maintain qualified and motivated people. Another important finding is that the IHR strategy and corporate strategy must be linked in order for either one to be successful. Furthermore, IHR in Swedish MNCs puts little or no focus on specific training for host-country nationals (HCNs). Regarding expatriate training programs the study showed that cross-cultural training (CCT) is used to some extent as well as language training and pre-departure visits.
Sammanfattning

Dagens multinationella företag befinner sig i en komplex värld vilket betonar viket av en väl fungerande och uppdaterad International Human Resource Management (IHRM) strategi samt fortlöpande utveckling och utbildning kompetenta ledare med internationell mobilitet. Syftet med denna uppsats är att få en djupare inblick i svenska multinationella företags (MNCs) international human resource (IHR) verksamhet samt utbildningsprogram för expatriater och host-country nationals (HCNs) utifrån företagens perspektiv. Studien har en kvalitativ ansats och dess syfte är huvudsakligen beskrivande. Primärdata samlades in via telefonintervjuer med ledande HR-personal på företagen ABB, Atlas Copco och Sandviks internationella avdelningar i Sverige. Resultaten av studien visar att IHR strategierna hos Svenska MNCs är relativt likartade medan utbildningen av expatriater skiljer sig mer åt. Stor fokus riktas på kontinuerlig kompetensutveckling, spridning av kunskap samt tillämpning av kärnvärderingar för att på så sätt inbringa och utveckla kompetent och motiverad arbetskraft. För att ha en väl fungerande och IHR strategi krävs även att denna överensstämmer med företagets affärsstrategi. Det framkom även av studien att utbildning av host-country nationals hos svenska MNCs är mycket begränsad medan expatriater erbjuds varierad förberedande utbildning av interkulturell karakter samt, språkutbildning och utbildningsresor till verksamhetslandet.
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1 Introduction

This first chapter will introduce and provide background information on the concept of international human resource training programs in the context of corporate strategy. A problem discussion will then follow describing international human resource programs addressing training of expatriates and host-country nationals leading up to the purpose and research questions of the study.

1.1 Background

International Human Resource Management

MNCs operate in a complex and uncertain environment, which creates a unique set of organizational, co-ordination and managerial issues for managers in MNCs and as a result the significance of people management are becoming more and more realized by managers in multinational firms, given that it may ensure profitability and capability of the business operations to succeed (Collings & Morley, 2004).

In order to manage the increased globalization of human resources the discipline of international human resource management (IHRM) was developed creating a sub-field within the management discipline of human resources (Cieri, Fenwick & Hutchings, 2004). IHRM contains the development of human resource capabilities to meet the diverse needs of subsidiaries of multinational and global operations (Bhagat et al., 2005). In order to lead the organization as a whole in the same direction it is important to have a well developed global strategy, including an appropriate IHRM strategy (Deresky, 2003). It is also crucial that the corporate strategy continues to be linked to human resources management (Bhagat et al., 2005).

The staffing policy as well has to be suitable for the specific business and the geographical location, and to control the operations there is a need for local decision making independent of the home office (Deresky, 2003). The approaches of managing employees differ in almost every multinational and global organization, and concerns such as how to recruit, train, pay and develop employees also differ within each subsidiary (Bhagat et al., 2005). The issues mentioned above are of high importance, since human resources are one of the most essential and sustainable sources for achieving competitive advantage. Being in control of ones human resources ultimately means having control of other company resources (Deresky, 2003). Factors of production can easily be copied, which makes the human resources in an organization the only source of realized advantage (Bhagat et al., 2005).

The Role of Expatriates

Human resources play an important part in developing and sustaining competitive advantage and expatriates are used in both short-and long-term job assignments (Harzing & Ruysseveldt, 2004). Expatriates are defined as people who live and work away from their home country, and are citizens of the country where the multinational corporation is headquartered (Hodgett & Luthans 2003). The tasks of the expatriates may be to acquire and transfer technology, manage a foreign subsidiary, fill a staffing need, maintaining communication, and develop global leadership competence (Harzing & Ruysseveldt, 2004).

Conducting business in an international environment brings greater risk exposure in managing human resources. This is attached to costs of failure as well as the cost of an expatriate assignment (Collings & Morley, 2004). The key to succeed in international business is to have the right people in the right places, at the right time (Deresky, 2003). Moreover, it is crucial
that the selection, recruitment, and training are suitable to the selected mission (ibid). This is logical since an expatriate failure is estimated to cost between $50,000 and $150,000 only in direct costs while the indirect costs becomes even higher for the organization (ibid). Other issues like repatriation, culture shock and compensation such as benefits, allowances and incentives are also of importance and have to be considered as well (Bhagat et al., 2005).

Expatriates are among the most expensive employees for MNCs and the fact that adequate measurement of expatriate performance is poor directly correlates to how MNCs view their expatriates (Brewster & Scullion, 2001). Despite sturdy trends of decentralization and downsizing MNCs have not lost the central expertise in management of expatriates that has been built over a long period of time (Scullion & Starkey, 2000). However, they argue that the relation between expatriate management and the role of corporate IHRM functions have been falsely ignored and that new approaches linking the development of expatriation management to the international corporate strategy is necessary. Brewster & Scullion (2001) further state that corporate executives in MNCs have now realized the adequacy of developing managers who understand the global aspect of conducting successful business. Since the 1990’s there has been a rapid increase in new forms of collaborative international business activities and evidence show that effective management of expatriation is vital in order to determine success or failure of management expatriation. Moreover, there is a particular concern over the supply of managerial talent required to deal with complex IHRM issues associated with the growth of international joint ventures and alliances. (ibid)

Brewster & Scullion (2001) state that studies on expatriation generally follow the traditional expatriate cycle and Dowling et al. (1999) argue that much of early research on international staffing is mainly descriptive and lacks analytical depth. Brewster & Scullion (2001) further state that staffing policies within MNCs are often developed in isolation and has no linkage to the MNCs overall corporate international strategy. To ensure that expatriate management is effective, organizations should adopt one strategic approach for the whole expatriate cycle (Harris, 2001). The case of failure of expatriate assignments have in surveys been indicated to depend on poor training, which shows the importance of acknowledging this area for future international assignments in MNCs (Katz & Seifer, 1996).

*The Expatriation Cycle*

An important part of the IHRM approach is the decision of whether to use an expatriate for an international assignment or employ a local (Harris, 2001). If the decision is to send an expatriate, there are several steps that are significant and in need of discussion before the expatriate is sent to his or her mission. The stages constitute the expatriate cycle and are shown below in figure 1.1.
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The planning stage is the first phase in the expatriate cycle (Harris, 2001). The expatriate’s assignment is often to achieve control and coordination of operations, transfer knowledge, and achieve managerial development. The judgment of whether an expatriate should be used for the assignment, or not is conducted in this stage. The next phase, selection, can be carried out once a strategic decision to use an expatriate has been made (ibid). This involves the recruitment of an international manager, and the judgment is based on level of technical competence, personal traits, ability to adapt to a new environment, and family situation (Borg & Harzing, 1995). The third phase, preparation, includes pre-departure training of the expatriate, and is the major step towards avoiding culture shock and help the expatriate and his/her family to adapt to the new environment (Harris, 2001). The author further states that successful preparation will make the expatriate adapt faster and more effective to the new environment. Performance measurement is the fourth phase of the expatriate cycle, and deals with monitoring the performance of the expatriate on the actual assignment (ibid). Harris (2001) explains that variables influencing the success or failure of the expatriate have to be understood before monitoring can be conducted. Repatriation is the final stage in the cycle and is not as easy as it may seem, rather it is highly problematic since a “re-entry” shock may occur (ibid). This phase occurs usually about three years after the expatriate has left the home country, meaning if the assignment is successful otherwise the period is shorter (Borg & Harzing, 1995). Problems within this phase include readjustment and re-establishment, and dealing with the issues of being “back to normal” again (ibid).

As global competition intensifies, MNCs pay increasing attention to the value of expatriate personnel as a way to integrate their operating units appropriately and efficiently (Vance & Paik, 2002). Conventional, standardized bureaucratic rules and regulations, planning, auditing, and performance evaluation, are considered too stiff to effectively deal with the increasing number of MNCs separate and yet interdependent international operations. The implementation of standardized procedures across international subsidiaries may completely ignore the specific role played by an individual subsidiary for the benefit of the whole organization in the global context and thereby decrease overall performance of the organization. (ibid)
1.2 Problem Discussion

European researchers have attempted to develop frameworks for predeparture training of expatriates allowing MNCs to tailor programs to the individual needs of each individual expatriate (Brewster & Scullion, 2001). Successful development of such programs research shows will result in training programs which are sensitive to job and individual variables as well as level of competence. Training and development programs tend to be more common in Europe than in the US or Japan (Brewster & Scullion, 2001). Preparation of European based expatriates are generally more cost-effective than of their U.S. and Japanese counterparts consisting of briefings and look-see visits which often include spouse/partner and children reflecting the linkage between expatriate performance and family adjustment (Linehan & Scullion, 2004). Another aspect of expatriation underlined by Baumgarten (1997) is that cross-cultural training should not solely be enforced prior to expatriation but more importantly throughout the assignment. Other ways of improving successful expatriate training and development is to increase the amount of short international assignments, cross border job-swaps and assignments to multicultural project teams (ibid). Brewster & Scullion (2001) further argue that managers need to live and work within the international arena for a longer period of time in order to gain valuable global business experience. Consequently when these managers repatriate to their home country they can help build effective multinational strategies using their new perspectives and experiences gained overseas (ibid).

The expatriate should completely understand and be informed of the situation, so that no surprises before or during the assignment may occur (Webb & Wright, 1996). It is favorable to arrange a pre-departure trip with a representative from the culture, and be given opportunity to meet the local management and other expatriates. Other important aspects are schooling for children, logistics, medical and housing which all should be looked into upon the visit (ibid). Moreover, if the potential candidate feels that he or she is completely in charge of whether he or she will to accept or refuse the appointed assignment the expatriation is likely to be more successful (ibid). The idea that high performing expatriates in subsidiaries are the same employees who were high performing within the parent firm is often incorrect. The assumption often leads organizations to fail to provide adequate expatriate training (Crocker & Lee, 2006).

Common approaches to pre-departure expatriate training among MNCs are limited due to the emphasis on universal principles of managerial effectiveness and cross-cultural awareness (Vance & Paik, 2002) Although expatriate training has generally come to be accepted practice in many organizations, questions about its effectiveness still remain (Osman-Gani, 2001). For instance, it has been recognized that no one single type of expatriate training program can possibly fit all types of overseas assignments, nor all types of individual expatriates. As a result some parts of the respective training programs may differ even though some of the basics may be the same. Correspondingly, training programs must be adapted to where managers themselves come from (ibid) The relationship between expatriates’ international experience and preferences for predeparture/post arrival cross-cultural is interdependent and what matters the most is the type of international experience gained by the expatriate (Selmer, 2000). Long assignments could take the expatriates through a learning experience where initial frustrations are successively substituted with a sense of peace of mind. Having realized the full cycle may make expatriates realize the value of post arrival support to ease the initial frustration and shorten the period of adjustment. (ibid)

The question of weather the MNC should rely on host-country nationals (HCNs) or third-country nationals (TCNs) has increased significantly over the past 15 years (Honeycutt &
Ford, 1996). HCNs generally bring extensive market and cultural knowledge, language skills, and familiarity with local business traditions (ibid). Training should be provided to HCNs and TCNs to facilitate understanding of corporate strategy, corporate culture and socialization (Harvey et al., 2001). A positive effect of HCNs and TCNs transfers to headquarters has been increased exposure of local managers to headquarters’ corporate culture. Transferring HCN managers to corporate headquarters aids in helping to develop global management teams and is a necessary part of successfully operating a truly global firm. Further, MNCs should include HCNs and TCNs in international management development schemes, i.e. developing HCN managers through developmental transfers back to headquarters (ibid).

In view of the above discussion and the fact that expatriate training and development has become an increasingly important issue for multinational firms and the fact that most research is based on American firms’ experiences and studies on European MNCs including Swedish companies remain limited became a motive for us to conduct the present study.

1.3 Purpose and Research Questions
The purpose of this study is to provide a better understanding of Swedish MNCs’ international human resource training programs. In order to reach this purpose, the following research questions are posed:

RQ1: How can IHR training in the context of MNC strategy be described?
RQ2: How can IHR training programs addressing expatriates and HCNs be described?

1.4 Demarcations
We have limited our study to focus only on general managerial and cross-cultural training programs and no other training programs such as technical training are included.
2 Literature Review

The purpose of this chapter is to present a theoretical outline and a conceptual framework of the study. The chapter will begin by presenting literature in regards to IHRM and MNCs’ Corporate Strategy followed by literature discussing MNCs’ international human resource training programs. The chapter will end with a conceptualization of the two research questions.

2.1 International Human Resource Management and MNCs’ Corporate Strategy

The study of Paauwe & Scullion (1995) show that MNCs should focus on the issue of finding the best IHR policy that fits the firm’s strategy, structure and HR approach. Further, there is a link between the phases of internalization, the environment and the influence of culture. This means that domestic, international, multinational, and global firms all face different issues of globalization and human resource management. (ibid)

A multinational firm’s primary orientation is price, with a multinational strategy respectively a worldwide strategy focusing on source, produce and market internationally. There are some expatriates in the corporation, which are sent in order to achieve control over the subsidiaries abroad and reach goals as project and career development. The managers sent are commonly high-quality performers for whom the expatriate assignment has an impact on global career. Training and development are offered to the expatriates during a longer period of time, including language and cross-cultural management. The assignment offers a challenge and motivation for the manager, and strengthens the recognition of cultural differences (Paauwe & Scullion, 1995.)

Two decades ago IHRM was one of the least studied areas in international business. Components contributing to the growth of interest in IHRM in recent years are:

- The rapid growth of internationalization and global competition has increased the number and significance of MNCs in recent years and resulted in the increased mobility of human resources.
- The effective management of human resources is increasingly being recognized as a major determinant of success or failure in international business and it has been argued that the success of global business depends most importantly on the quality of management of MNCs.
- Underperformance or failure in international assignments continues to be costly, both in human and financial terms, and research suggests that the indirect costs of poor performance in international assignments such as damage to foreign customer relations may be particularly costly.
- The implementation of global strategies is frequently constrained by shortages of international management talent, which constrain corporate efforts to expand abroad.
- The movement away from more traditional hierarchical organizational structures towards the network MNC organization has been facilitated by the development of networks of personal relationships and horizontal communication channels, and it has been argued that HR plays a more significant role in network organizations.
- There is growing evidence that HR strategy plays a more significant role in implementation and control in the international firm. It has been suggested that in a
rapidly globalizing environment, many MNCs have less difficulty determining which strategies to pursue than how to implement them and it has been argued that the success of any global or transnational strategy has less to do with structural innovations than with developing often radically different organizational cultures.

The complex and changing global environment requires flexibility within MNCs’ ability to formulate strategic responses and lack of appropriately trained and internationally oriented personnel automatically put a constraint to that flexibility (Shen, 2005). There has been a positive correlation identified between the inflexibility of a company's selection and training processes and its expatriate failure rate. Appropriate and extensive training programs could significantly improve the expatriate's performance in an overseas environment, thus minimizing the risk of failure. (ibid)

2.1.1 International Workforce

Gong (2003) states that subsidiary staffing composition in subsidiaries of MNCs is defined as the distribution of expatriates also referred to as parent-country nationals (PCNs), HCNs, and TCNs and composition varies along the dimension of nationality heterogeneity. Hodgett & Luthans (2003) further claim that according to research U.S. and European firms traditionally chose to use PCNs in less developed regions and HCNs in developed regions of operation, whereas the Japanese tend to PCNs regardless of the area of operation Reasons for choosing PCNs to international assignments within MNCs may be to better equip career-climbing managers for more responsible job positions, unavailability of managerial talent in the host country, facilitation of organization of control or the fact that the home country believes that the most appropriate person must be a home-country manager.(ibid)

According to Paik & Vance (2000) expatriate managers are compared to locally-hired counterparts believed to have a better understanding of overall corporate priorities and better recognition of headquarters-determined rules, as well as being more motivated by a commitment to overall corporate goals. The transfer of managers from headquarters would facilitate the creation of an information network consistent with the corporate culture (ibid).

Zakaria (2000) state that globalization and aggressive foreign direct investment, combined with domestic restructuring, have resulted in dramatic changes in the workforce of MNCs As the world becomes smaller, more and more people are spending time living and working away from their home country, which increase face-to-face contact among people from different cultural backgrounds. This forces the companies to adopt a cross-cultural perspective in order to successfully accomplish goals in the context of global economy resulting in higher needs and new standards of selection, training, and motivation their future expatriates. Cross-cultural training (CCT) is rapidly becoming a recognizably important component in the world of international business. Cultural differences exist at home and abroad and international interaction creates problems caused by people’s differences in values, beliefs, perceptions, and background. Further, sources of frustration may be people’s different expectation and definitions of success or failure. Expatriates have to develop their intercultural communication competence in order to live meaningfully and productively in the global village and as the workforce within nations becomes more culturally diverse, it is necessary to train people to deal effectively with the complexities of new and different environments. (ibid)
According to Hogan & Goodson (1990) research shows that 86 percent of Japanese multinationals report a failure rate of less than 10 percent for their expatriates who have received training. Benefits which can be achieved by providing expatriates with cross-cultural training are listed below:

- A means for conscious switching from an automatic, home-culture international management mode to a culturally appropriate, adaptable and acceptable one.
- An aid to improve coping with unexpected events or culture shock in a new culture.
- A means of reducing the uncertainty of interactions with foreign nationals.
- A means of enhancing expatriates' coping ability by reducing stress and disorientation (Zakaria, 2000).

To teach managers how to lead, motivate and develop employees in their own countries is one of the focal aims of managerial training for HCNs and TCNs. Since HCN and TCN managers often need to change their way of operating as well as be more involved, managers need good people management skills (Dowling & Schuler, 1990).

Paik & Vance (2005) claim that through distribution of knowledge and skills throughout the whole organization a competitive advantage can be achieved, but the knowledge management potential is often limited, since the dependence is put on expatriates with less knowledge of the country workforce and knowledge flows. A main objective of international training is to develop an understanding of cultural differences and an ability to work with HCNs to facilitate management knowledge and know-how transfer from the home country and with the same objective training for HCNs should be provided. International training is largely focused on expatriates, but HCNs and TCN employees also need to be considered for training and development in order to succeed as a global organization. The training of HCN and TCN employees will enhance the development of managerial abilities and introduction to the MNC’s corporate culture. The headquarters does generally not provide training for lower-level employees, which usually is offered by the country subsidiary. The increased knowledge of the HCNs and TCNs regarding the organization’s purposes, objectives, procedures, culture and the understanding of the expatriate as a whole will facilitate interaction between the parties in the working environment (ibid).

According to Ondrack (1985) polycentric MNCs usually have a large amount of offshore manufacturing, marketing and distribution which is further reflected in allowing more sovereignty in subsidiary operations. Thus, in terms of personnel, the firm has to make a strategic choice between continued uses of expatriate managers or invest in the development of HCNs assuming greater levels of local responsibility. In regards to the use of managerial personnel from subsidiaries, companies must learn to orient local managers into the culture at headquarters in order to provide a local system of management compatible with headquarters management. (ibid)

Deresky (2003) states that MNCs wish to have well-trained managers with extensive international experience available to take charge in many intercultural settings, whether at home or overseas. An example of this is U.S. - Japanese joint venture General Motors-Toyota located in the US where Japanese and American managers have come together working side by side mixing nationality as well as corporate culture. He further stresses the importance of proper compensation and benefit packages in order to attract retain, and motivate expatriate employees. There is a tight linkage between proper compensation and successful strategy
implementation and therefore a fit between compensation and the strategic global management is a must. (ibid)

According to Dowling & Schuler (1990) training programs developed for expatriates from the home country can not be used in other countries for local employees with a different culture, but rather training should be adapted to local conditions. Occasionally HCNs and TCNs are brought to MNC’s headquarter offices for training which also exposes them to the corporate culture. Furthermore, expatriate employees need to recognize a sense of equity and goodwill in their compensation and benefits. Premature returns of expatriates often traces back to the expatriate experiencing financial set back and even career degression after taking on an oversees assignment. This has also resulted in many MNCs cutting back on expatriate assignments when possible. IHRM professionals’ great challenge in designing appropriate compensation packages is to offer expatriates a standard of living which is equivalent to what they are used to in their home country and also pay for any additional costs incurred. Problems arise as executive salaries may be rather equivalent internationally whereas the cost of living varies, reputedly affecting the expatriates purchasing power and net spendable income. (ibid)

2.1.2 IHR and Cultural Intelligence

According to Triandis (2006) many organizations of the 21st century are multicultural as conception of a product may take place in one country, design in another country, production in perhaps 10 countries, and marketed in more than 100 countries. This actuality results in numerous relationships where cultural difference such as language, ethnicity, religion, politics and social class becomes apparent. Successful interaction across cultures requires cultural intelligence, further the aspects of cultural intelligence in organizations can be described as suspending judgment until enough information about the other person becomes available. Cultural intelligence is required to develop a good working relationship and a principal point is the habit to shelf judgment until enough information becomes available. (ibid)

A study by Kraimer (2004) state that there are many situational factors which have impact on an individual’s ability to adapt to a foreign environment. Adaptation results when the expatriate learns and maintains behaviors appropriate to the new environment and the level of adaptation determines secondary outcomes such as the individual’s performance (ibid). The expatriate must understand what behaviors are required for successful performance and within the organization. It is implicated that high levels of adjustment are indicative of successful expatriate adaptation which according to Black & Stephens (1989) is defined as “psychological comfort with respect to work, the culture, and interacting with host nationals”. He further states that expatriate adjustment relates positively to job performance and intent to complete the assignment. Further, contextual performance represents behavior of the expatriate that go beyond the job description and it requires the employee to engage in activities that ultimately benefit the organization. Therefore, expatriates must first be committed to foreign ability before engaging in these contextual performances. Ways to increase commitments to foreign ability are expatriate success criteria which then are related to success criteria of contextual performance and intentions to complete the assignment. (ibid)

Gong (2003) states that great deal of insecurity is connected to operating subsidiaries in culturally distant locations, which refers to the extent of differences between the home- and host-country cultures, the employment of PCNs may affect subsidiary performance and the over all performance of the organization. Because of the different cultures the agency costs are greater, and information available on-site may not be effortlessly handed over to the
parent company. Gong explains that the problem will through cultural learning decrease over time however since PCNs may initially enhance performance in culturally distant locations as it consequent will result in increased control of the firm-specific resources. However, as host-country nationals gain knowledge and skills from the expatriates over time the effect will decrease. The learning-by-doing process improves transactions and managing in different cultures as a result of the presence of an expatriate (ibid).

According to Shen (2005) developing countries like the Republic of China, generally has low awareness of the importance of expatriate training. Consequently, the majority of Chinese MNCs offer limited training for expatriates. Most Chinese companies provide only irregular briefings or do not provide training programs for expatriates at all. Training is usually brief, and normally, expatriates are often not given adequate preparation time between notification of the posting and relocation. Headquarters normally leave local managers to decide if there is a need to provide such post-arrival training. Chinese firms are also weak in providing training for HCNs, spouses and families. The majority of Chinese MNCs provide only job briefings for HCN employees instead of proper training. Reasons for Chinese MNCs to neglect the importance of extensive expatriate training are neither time nor money but rather that training is thought to be unnecessary. Moreover, technical skills are considered to be the main factor for successful overseas assignments. (ibid)

He also states that Chinese MNCs focus largely on in-house training led by senior managers rather than exploration visits prior to going abroad (Shen 2005). Neither are discussions with former experienced expatriates used. Further, Chinese MNCs usually provide the same training programs for all expatriates regardless of the type of assignments. A small number of Chinese MNCs have established their own educational centers for employee training and including expatriate training. Chinese MNCs do not analyze employee-training needs or performance on a systematic basis nor consult line managers or expatriate themselves when making decisions on training. (ibid)

Dowling et al. (1999) further claim that it is the headquarters’ responsibility to monitor as well as provide recognition and encouragement to the local human resource management personnel making sure that they are fully aware of the demands of an international assignment and make sure that sufficient subsidiary resources are allocated for such training. One important aspect of proper training, are language barriers being that corporate training programs which are normally conducted in the parent language. Therefore, provision of corporate language training is an important part of HCN training. Other parts include MNCs using staff transfers as part of their training allowing recruits to spend time at corporate headquarters. (ibid)

### 2.1.4 Types of International Training

A study conducted by Shen (2005) explores some of the issues of international training and management development and implementation in MNCs. The author states that through effective international training and management development, meaning training for international assignments, the traits of a global manager can be achieved. These qualities include context-specific abilities like industry-specific knowledge and cultural sensitivity. Moreover, the study discusses three different types of international training existing for multinational enterprises (ibid):
- **Preparatory training for expatriates**: deals with pre-departure training that is carried out to ensure that the expatriate has the essential skills and knowledge for the assignment.

- **Post-arrival training for expatriates**: this involves the training conducted after the expatriate has gone abroad, on-site, and is used to make the expatriate feel comfortable with the local working environment.

- **Training for host-country nationals and third-country nationals**: provided to smoothen the progress of the understanding of corporate strategy, culture and socialization.

Of these types of trainings the most attention is given to **preparatory training**, focusing on the area of expatriate failure. Further, the most common reason for expatriate failure is rarely a result of lacking technical skills, but a result of inability for expatriates and/or their spouse to adapt to the new environment. There are several reasons why training is not provided for expatriates at global assignments. A first issue is the thought that training is not effective, and lack of time may also be an explanation of why training is not offered. Most assignments can be defined as temporary, and therefore the budget does not warrant expenditures for training. The belief that technical skills are the only ones needed to carry out assignments abroad, as well as the right people does not need to be trained are common reasons justifying why sufficient training has not been provided. Money and time are noticeably not the problem why training is not provided, and more resources would be spent on this area if training was considered important (ibid).

According to Webb & Wright (1996) pre-departure training can be divided in two parts: cultural awareness training, which broadens the general sensitivity to other cultures and regional or country-specific training which informs the expatriate about the historical, religious, and economic factors affecting the people in the region. The expatriate should completely understand and be informed of the situation, so that no surprises before or during the assignment may occur. It is favorable to arrange a pre-departure trip with a representative from the culture, and be given opportunity to meet the local management and other expatriates. Essential issues like schools, transportation, medical and housing should be investigated during the visit (ibid).

### 2.1.5 Pre-field Training

According to Baker et al. (1996) the purpose of pre-field training is to ensure that the expatriates and their families are prepared for the new culture and environment, and also to be certain that the expatriate have the needed skills and knowledge. Further, the pre-field orientation should be seen as an extension of the selection process. During this phase there is a chance for those expatriates that feel insecure about continuing on with the assignment to withdraw, and thus save the organization the costs of failure. To address deficiencies, skill and knowledge training are used in pre-field orientation, which gives the expatriate an advantage in adjusting to the environment and culture. (ibid)

Garvey et al., (2004) suggest two types of recommendations for pre-field training of the managers; one of which is aimed at the individual expatriates while the other one is aimed at the firms. The individual expatriate managers should:
Visit the foreign location with their spouses beforehand to gain realistic perspectives on what to expect when they eventually go there to work; and

Adopt an optimistic posture, expect the unexpected, listen, and appreciate differences, and increase sensitivity and tolerance towards others.

The multinational firms should take their responsibility by:

Select people carefully, based on their personalities and their ability to adapt to foreign cultures, in addition to their technical problem-solving skills and knowledge;

Make clear what is expected of the expatriate manager; and

Provide a domestic mentor, who serves as the chief liaison and a proponent during the employee’s absence. (ibid)

Figure 2.1 shows the pre-field orientation of expatriate training, and explains the process of pre-departure training. The process is divided in motivation, skill/knowledge and environment that consist of external and internal approaches. The external approach is explained by country-general and culture-specific orientations dealing with fact-oriented respectively issues regarding culture. It is also important to note that rehires normally do not need the level of pre-field orientation new hires (ibid).
2.2 MNCs’ International Human Resource Training Programs

2.2.1 Cross-cultural Training

According to Zakaria (2000) intercultural communication competence can no longer be neglected. In both domestic and international context new work-related behaviors must be learned, but in cross-cultural situations non-work behaviors must be learned as well. Cross-cultural training has long been advocated as a means of facilitating effective cross-cultural interaction (Zakaria, 2000).

According to a study by Selmer (2000) traditional CCT programs are usually given approximately one month prior to assignment; however results tend to be better if training is given when expatriates are most motivated to learn. However, certain types of CCT have been proven to be more successful if it is implemented after the expatriate has arrived to the host county (ibid). Expatriate managers need access to immediate solutions to confusing cross-
cultural encounters in order to help the problem before it becomes overwhelming, causing negative ripple-effects in relationships with employees, clients, government officials, customers, or suppliers (Mendenhall & Stahl, 2000). Given the premise that culture influences managerial performance, by extension it may be presumed that culture may also influence managers’ perceptions of expatriate training (Osman-Gani, 2001). Furthermore, cultural understanding should be encouraged, valued, and rewarded in order to attract and motivate managers to develop their existing skills (Celaya & Swift, 2006).

According to Mendenhall & Stahl (2000) there are three main emerging issues concerning cross-cultural training which IHRM managers need to be aware of: (1) In-Country, Real-Time Training; (2) Global Mindset Training; and (3) CD-ROM/Internet-Based Training (ibid). Companies often feel that pre-departure CCT is enough in order to equip expatriates with the necessary knowledge and skills they will need in order to do well overseas. Research shows that the expatriation process must be viewed from different theoretical perspectives, stress the significance of continuous cross-cultural training in particular during the early stages of an overseas assignment (Mendenhall & Stahl, 2000). Despite the fact that cross-cultural training has proved to be effective, less than one third of expatriates are receiving cross-cultural training, much due to assumptions that managers skills are universal and according to Hutchings (2003) the organizations are not prepared to invest in the resources necessary for adequately preparing expatriates for an assignment abroad. It is further stated that expatriates who posses language and cross-cultural knowledge skills, and also have experienced other foreign assignments are more likely to be selected for the mission (ibid).

2.2.2 The Design of Cross-cultural Training Programs for Expatriates

According to Harrison (1994) the structure of CCT should include both general cultural orientation and specific cultural development. When designing CCT programs there are two main approaches; an inductive process going from the specific to the general and a deductive process going from the general to the specific. He further states that he theoretical framework for developing CCT programs comprises two basic stages, general orientation and specific development. General orientation consists of two diverse phases; the first phase is self-assessment of cultural factors that may influence ones openness to and propensity for effective cross-cultural assignments, the second phase deals with cultural awareness of the general dimensions on which most cultures differ and also the potential impact of these differences affecting the expatriates. The second stage is designed to improve the trainees’ ability to interact with the new culture in which they are being assigned, and is named specific development. The phases occurring in this stage are: knowledge acquisition of the language and customs, and skills training of appropriate behaviors in the culture. The self-assessment, cultural awareness, knowledge acquisition, and skills training phase each contain three major steps. The structure and sequence of CCT programs is shown in figure 2.2. (ibid)

General Orientation

Self-assessment
Dealing with change is the initial step, and should inform the expatriates about the purpose, value, and beliefs of the assignment. The objective of this step is to gain motivation and readiness about cultural change. Managing stress is the following step which provides expatriates and their families with strategies for managing the stress they may face in the new culture. The last step is identifying attributes, and discusses the different personal attributes that determine the way things are interpreted (Harrison, 1994).
### Cultural Awareness

*General dimension* is recognizing and accepting differences in other cultures, and is the first step in cultural awareness. The second one, *national values*, deals with understanding one's own culture in order to recognize the values of the home culture and improve cross-cultural interactions. The final step in cultural awareness is *workplace incident*, and assists the managers’ adjustment to the new workplace (Harrison, 1994).

### Specific Development

**Knowledge acquisition**

The initial step is called *area studies* and contains environmental briefings and orientation programs about the host culture. The next step, *language skills*, includes training in the language and the way to communicate with members of the new culture. The function of the last step is to increase managers’ awareness of host attitudes in the culture to which they are assigned, and is named *host attitudes* (Harrison, 1994).

**Skills training**

The first step in the phase of skills training is called *case studies* and should introduce the expatriate and his or her family to cross-cultural problems that may occur. Further the aim is to recognize the underlying cultural issues and learn how to handle these issues. *Area simulation* is the following step, its purpose is to give the expatriates experiences of similar situations that may come about in the host culture. *Behavior modeling* is the final step, and is concentrated on providing a possibility for managers to engage in specific work behaviors, review them, and receive useful insights. Moreover, behavior modeling includes attitude change and may reduce the issue of a potential culture shock (Harrison, 1994).

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*Figure 2:2 Structure and sequence of CCT programs*  
*Adapted from: Harris, 1994, p. 20*
According to Black et al. (1999) an important factor in successful cross-cultural training is training rigor which is the level of mental involvement and effort of the trainer and or the trainee. The designing proper cross-cultural training is much depending on the company’s ability to determine the degree of rigor which is appropriate for the each particular case.

According to Black et al., (1999) more rigorous type of training allows the trainee to practice his or her skills as opposed to just learn facts High-rigor approaches increases the degree of the trainee’s actual participation through the use of assessment centers, interactive language training and sophisticated cross-cultural simulations. The second aspect of the degree of rigor is the length of the time actually being spent on training the time spent on training is positively correlated to trainee’s the level of learning and retention. As displayed in figure 2.3 low rigor training includes reading books, listening to lectures or watching movies while more rigorous training may include role modeling, videotaped sessions and language training. (ibid)

2.2.3 Cultural Factors in Expatriate Success and Failure

Generally speaking, costs of expatriate failure in MNCs runs up to billions of dollars (Luthans, 2002). In addition, there are unknown and indirect costs associated with expatriate failure including disruptions and missed opportunities in developing markets and revenues abroad (ibid). Culture is central to all parts of the company, and the building blocks of culture are value systems and norms (Webb & Wright, 1996). Thus, managers in the field of international business require multiple approaches in order to deal with multiple cultures (ibid).

The cultural distance index is a measure for national differences based on Hofstede’s classification of cultural dimensions (Morris & Robie, 2001). This framework is based on the
belief that all cultures could be classified as a function of four dimensions; power distance, individualism–collectivism, masculinity–femininity, and uncertainty avoidance, further this gives implications for the development of training inventions and intercultural adjustment. The further apart cultures are on the cultural distance index, the more obvious the need for cultural adjustment will be (Varner & Palmer, 2005). By isolating the important cultural variables shaping an expatriate’s cultural priorities, companies can improve the selection and training of expatriates and thereby improve the success rates in terms of expatriate effectiveness (ibid).

It is necessary for managers in this process to be aware of issues arising from oversimplifications of the cultural variables as well as overgeneralizations which according to Osland and Bird (2000) are defined as “sophisticated” stereotyping (Varner & Palmer, 2005). Some of the factors influencing the relationship between the expatriates own cultural self-awareness and the success and failure in expatriation are:

- Group vs. individual
- Hierarchy vs. Egalitarian
- High context vs. low context
- Polychronic time orientation vs. monochronic time orientation
- Reliance on fate vs. being in charge of one’s destiny
- General attitude towards change

Other factors determining expatriate success or failure are family status, previous experience, technological adaptability and skill. (ibid)

### 2.2.4 Training for Culture Shock Prevention

According to Soochan (2003) expatriates going abroad will encounter a variety of difficulties due to different social-economic systems, language and social customs and feelings of abandonment by the headquarters are common. Moreover, symptoms of culture shock, anxiety, frustration and disappointment can further complicate adaptation for the expatriate as well as his or her family or spouse. Companies should offer formal training programs to prepare workers and families for oversee assignments in order to minimize the risk of problems caused by culture shock. (ibid)

Thy further state that state of culture shock commonly experienced by expatriates encompasses strained family relationships, the inability to work effectively and hostility towards host-country nationals. Culture shock is usually recognized in four stages: the initial *honeymoon* stage reflects positive attitudes and general excitement and may last up to several weeks. During the next phase the expatriate experiences much *irritation and hostility* and in feel of crisis. The third stage is a period of recovery from previous feelings of irritation and hostility and the expatriate experiences a *gradual adjustment* of starting to accept the new situation. When and if the expatriate reaches the last phase of biculturalism he or she has completely come to terms with operating and functioning in two different cultures. Many expatriates do not reach this final stage but those who do experience much contentment associated with the assignment. Within the state of culture shock expatriates may also experience sub-culture shock which is similar however less extreme. (ibid)
2.2.5 Implementation of HCN Training

According to Honeycutt & Ford (1996) the role of host-country nationals has increased significantly over the past 15 years HCNs generally bring extensive market and cultural knowledge, language skills, and familiarity with local business traditions. HCN personnel also permit a company quickly to become active in a new market, since the adjustment period is eliminated and potential difficulties caused by cultural alienation or language are minimized. Appropriate training is provided to HCNs and TCNs to facilitate understanding of corporate strategy, corporate culture and socialization (Harvey et al., 2001). Further, MNCs should include HCNs and TCNs in international management development schemes, i.e. developing HCN managers through developmental transfers back to headquarters (ibid).

Among regiocentric and geocentric MNCs, all managerial personnel, regardless of country of origin, are treated as eligible candidates for managerial positions within a region or around the world (Ondrack, 1985). The concepts of home and host country personnel as sources of managers become less relevant and in a sense, all international managers may become third-country personnel. (ibid)

Harvey et al. (2001) further states that inpatriation has been suggested as a solution to expatriate failure, international assignment refusal and lack of socialization between HCNs and PCNs. Positive effects of HCNs and TCNs transfers to headquarters has been increased exposure of local managers to headquarters’ corporate culture. HCN transfers facilitate the development of a corporate perspective rather than simply reflecting local interests. Transferring HCN managers to corporate headquarters can definitely aid in helping to develop global management teams and is a necessary part of successfully operating a truly global firm. By including HCNs and TCNs in management development the overall employee performance will improve from a global perspective. According to Baumgarten (1995), the reason is simple because the ultimate success of an expatriate assignment depends not only on the expatriate himself or herself but also upon the local people with whom he/she has to work.

Osman-Gani (2000) suggested that host country subsidiary-partner personnel are the most effective and qualified people to provide the necessary training because they are familiar with the conditions and environment of the host country and hence in the best position to impart the necessary knowledge and skills to the expatriates.

Dowling et al. (1999) state that possible motives MNCs to inflict HCN employee transfers are to build and enhance a sense of corporate identity, save on costs when particular skills are needed and to facilitate firm based-training. The presence of HCNs may also help in broadening the outlook for PCNs within the company. HCNs can be transferred into the parent country either into its headquarters or home-subsidiary operations. A cost-cutting approach used by MNCs is the usage of satellite technology in order to deliver custom-designed training courses from home country locations. Despite the fact that HCN training programs may be easier to delegate to the local operation intended there are cases of successful training programs being implemented at headquarters. The technical aspect of training however is more likely to be successfully implemented at headquarter locations than cultural training. For example Japanese multinationals such as Nissan and Honda have been able to train a substantial number of HCNs in their U.S., U.K., and other European subsidiaries. (ibid)
Mode of operation is another issue related to HCN training by Dowling et. al. (1999), for example a MNC entering a joint venture arrangement may end up with unexpected training costs if the joint venture is regarded as a way of re-deploying surplus under skilled employees. However these unexpected costs may be compensated by intangible factors. For instance, in some Chinese joint ventures, training programs are looked upon as incentives to work for foreigners giving the MNC an opportunity to attract and retain qualified HCN employees. (ibid)

Paderon and Vance (1993) state that the culture represented by the expatriate manager should be implicated in training and development of the host-country workforce (HCW). Crucial areas to be included in the training are those which have led to culture clashes in previous situations, and further how to avoid and deal with these issues should be discussed (ibid).

The training of HCW should focus on some fundamental points (ibid):

1. What the HCW can expect from the expatriate manager’s behavior
2. Why the expatriate behave in such an unpredictable, unconventional, and/or unacceptable fashion.
3. How to effectively cope within these culture-based differences.

By providing training for the HCW the probability of effectiveness and success of the expatriate management assignment is increased. The planning and design of the preparation and training for the expatriate management assignment involves some important variables to consider and include in the training program for the HCW:

- **The stage of economic development of the host country.** Working under Japanese managers in the U.S. compared to a Mexican HCW under Japanese expatriate management may be very different, because of the economic development which also causes different needs of training.
- **The degree of cultural similarity between the HCW and the expatriate.** When the expatriate culture is similar to the one of the host country less training is needed, such as language.
- **The historical context of the relationship between the two cultures of the HCW and the expatriate.** High cultural similarity requires less training and preparation of the expatriate and the HCW, but where social norms, customs, and values differs training is crucial.
- **Who should receive training?** Upper level management and supervisors are most likely to interact with the expatriate directly, and as a result these groups might have higher priority when it comes to training and preparation.

The optimal conditions for a successful expatriate assignment include preparing the HCW for the expectations of the expatriate, and this will further give the HCW the possibility to assist the expatriates during the assignment. The burden of success or failure should not only be put on the expatriate alone, instead training of HCW should be provided of to smooth the progress of the expatriate assignment in order to avoid costly mistakes leading to failure. (ibid)

According to a study by Paderon & Vance (1993) expatriate training reparation lacking involvement of the HCW in the process could be based upon racial and ethnic intolerance, leading to discriminatory treatment violating fundamental international right as well as damages the corporate business environment. Moreover, the training will avoid the
appearance of discriminatory treatment. Encouraging full status integration into global economy is achieved by providing cultural awareness training to HCW as a part of the overall preparation, and would also encourage the equal status of HCW members within the MNC because of the greater acknowledgement and influence to a contribution to the success of the expatriate assignment.

The study also reveals that personal insight, tolerance, understanding and appreciation and respect of differences are positive outcomes of cultural awareness training provided to the HCW, besides that training will also benefit host-country nationals, since the development of practical skills will increase the work effectiveness in cross-cultural settings. When conducting cultural awareness training the MNC is making a long-term investment in the host country’s operations, through providing training for the HCW and further also creating value for the stakeholders of the company. (ibid)

2.2.6. Levels of HCN Training
A study conducted by Paik and Vance (2005) examines potentially productive forms of HCN learning in various formal development processes within the host country operation and the MNC as a whole. Further, three main employee levels were examined; operative, supervisory/middle management, and upper management. Each level was studied separately because of their particular structure of learning that could contribute to improved productivity (ibid).

Operative level
At the operative level four major forms of learning categories that are beneficial for the employees as well as the organization can be identified; new employee orientation, entry job skills, parent company predominant language, and expatriate and MNC home country cross-cultural awareness. These categories of learning of HCNs will increase the openness to external knowledge, and the understanding of the expatriate which results in an improved flow of information between HCNs and expatriates (ibid). Moreover, a direct contribution to facilitate direct and longer-term absorptive capacity within the MNC will occur.

New employee orientation and entry job skills
Basic information is typically offered in new employee orientation, but in addition two learning objectives considered significantly important are to gain an overview of where the employee contributes to the global efforts of the MNC; and develop positive expectations and confidence in how successful performance can contribute to the employee’s personal goals.

Parent company predominant language
Instruction of the predominant language in the company is at the operative level not believed to influence job performance, but in order to communicate upwards with the parent company and grant a promotion to higher levels of supervision and management it is of high significance for the HCN.

Expatriate and MNC home country cross-cultural awareness
This form of training can increase cooperation toward the expatriate and MNC headquarters, and enhance individual personal attachment and trust. Distrust, negative stereotyping, and underlying conflict are results of a lack or failure in cross-cultural understanding.
Supervisory and middle management
At the supervisory and middle management level the forms of favorable HCN learning comprise; supervision and technical operations management, MNC home country cross-cultural awareness supporting expatriate interaction, expatriate coaching, and skills related to the often informal liaison role between parent company expatriates and lower level HCNs. These forms of learning are carried out in close interaction with expatriates to ensure smooth operations.

Supervision and technical operations management
Employees promoted to supervisory positions and middle management that commonly receive training in technical management as well as general supervision respectively planning and management of technical systems operations. Primarily this type of training is provided on-site, but occasionally takes place at the parent company headquarters. The shared technical and operational skills make it possible to gain expatriate knowledge transfer HCN openness.

MNC home country cross-cultural awareness supporting expatriate interaction
Cross-cultural learning at this level is aimed at creating closer and trusting relationships with expatriates. To improve the interaction with the expatriate national culture and decrease misunderstandings this form of training is constructive. Training and information about expatriate parent company culture will lead to flexibility, openness, social interaction and reflection between the HCN and the expatriate.

Expatriate coaching
In order to avoid costly mistakes and errors made by the expatriate because of unfamiliarity with the HCN and environment, the HCN should receive training on how to coach their expatriates. This will increase the skill level of the HCN, and at the same time improve expatriate adjustment.

Skills related to liaison role
Much time for the host company managers is spent in a liaison role between expatriates and lower-level HCN operatives, and commonly the training in the area is ignored. This role may include dispelling negative cultural stereotypes, addressing destructive rumors and dealing with conflicts between the parties. To support and build an improved understanding and motivation in the entire host country workforce training should be provided.

Upper management
The categories of HCN learning at the upper management level includes; advanced technical system operations, subsidiary business level strategy, parent company strategy, and parent company corporate culture. The survival and success are at the MNC level, subsidiary or business level all tied to these forms of learning.

Advanced technical system operations and business level strategy
The upper-level managers rarely receive training in advanced technical systems operations management and host country business level strategy at the parent company headquarters, which would provide increased understanding about MNC operational procedures and improve the flow of knowledge between the host country managers and the expatriate.

Alignment in parent company strategy and corporate culture
A long-term management experience referred to as “inpatriate assignment”, occur when a HCN work at the parent company headquarters for a longer period, for example two years,
and then return to the host country for an upper-level management position. This provides exposure of the corporate culture to the HCN and support the corporate culture of the MNC. (ibid)

2.3 Conceptual Framework

This section presents a conceptualization of the literature review containing the most appropriate theories found in regards to our purpose and research questions. The selected theories will then serve as a foundation for collecting our data.

2.3.1 Conceptualization of RQ 1 – IHR training in the context of MNC strategy

According to Paik & Vance (2005) competitive advantage can be achieved only by widely distributing knowledge and skills throughout the whole organization. Expatriate managers are compared to locally-hired counterparts believed to have a better understanding of overall corporate priorities and better recognition of headquarters-determined rules, as well as being more motivated by a commitment to overall corporate goals, thus transfers of managers from headquarters would facilitate the creation of an information network consistent with the corporate culture. Training of HCN and TCN employees will enhance the development of managerial abilities and introduction to the MNC’s corporate culture.

Components of MNCs IHRM Strategy

- Knowledge Sharing
- Competence Development
- Linking IHR to Corporate Strategy

2.3.2 Conceptualization of RQ 2 – IHR training programs addressing expatriates and HCNs

According to Shen (2005) appropriate training and extensive training programs could significantly improve the expatriate’s performance and further minimize the risk of failure. He also explains that the most common reason for expatriate failure is the inability to adapt to the new environment and culture. Further he suggests that desired traits of a global manager include context-specific abilities like industry-specific knowledge and cultural sensitivity which can ultimately be attained through effective international training and management development. We choose to rely on this study being that the theories is supported and confirmed by several authors.

Kraimer (2004) states that expatriates must understand which behaviors are required for successful performance and within the organization. Further it is implicated that high levels of adjustment are indicative of successful expatriate adaptation results when expatriates learn and maintain behaviors appropriate to the new environment. The level of adaptation determines secondary outcomes such as the individual’s performance. We chose to rely on this theory as we found that it is supported consistently by other researchers.
Training international workforce

- Expatriate training
- HCN training

Dowling & Schuler (1990) discusses the fact that international training is largely focused on expatriates but HCN and TCN employees also need to be considered for training and development in order to succeed as a global organization. They further claim that training programs developed for expatriates from the home country cannot be used in other countries for local employees with a different culture, stressing the importance of adapting training to local conditions.

Types of Expatriate training

- Post-departure
- Pre-departure

CCT activities

- Cultural Seminars
- Role Plays
- Workshops
- Language training
- Mentorship programs
4 Methodology

This chapter will review the methodology presenting how we are going to collect data and thereby reach the purpose of the thesis. We will first present the purpose of the thesis, followed by the research approach and strategy. Then we will continue to discuss data collection method, sample selection and finally data analysis.

![Methodology Overview](image)

4.1 Research Purpose

According to Saunders, Lewis and Thornhill (2003) the most commonly used classification of purpose of research is; exploratory, descriptive and explanatory. They argue that exploratory research resembles “the activities of a traveler without a set itinerary” in the sense that it is adaptable during the course of the process. When conducting exploratory research one has to be willing to adjust if coming across new findings which unexpectedly switch change of direction. Thus, exploratory research has an initial broad focus which narrows progressively throughout the course of the research (ibid) Descriptive research includes identifying and mapping by signifying, registering and documenting based on the researchers choice of perspectives, level of depth and definitions (Wiedersheim-Paul & Eriksson, 2001). It is critical to have a legitimate purpose for the descriptive research to be meaningful. In order to be able to move on to the next level which is the explanatory stage, the descriptive research needs to be well executed (ibid) According to Saunders et al. (2003) an explanatory study aims to establish casual relationships between variables. Wiedersheim-Paul and Eriksson (2001) further states that “to explain” means to make an analysis of cause and effect relationships, and similar to that of the descriptive stage the analysis has to be based upon various predetermined criteria.

Our study is mainly descriptive as data will be collected in order to describe a specific subject but we will also move into the exploratory and explanatory stages as we wish to gain a deeper understanding of Swedish MNCs’ international human resource training programs. In the initial exploration stage we will derive at the purpose, and great emphasis will be put on the descriptive stage, while spending limited time in the explanatory stage drawing conclusions of our findings. Our choice of emphasizing the descriptive stage provides support for using a qualitative research approach.

4.2 Research Approach

Our study will be based on qualitative research and according to Denscombe (2000) a qualitative research approach focuses on understanding people’s behavior patterns. According to Saunders et al., (2003), qualitative data is characterized by its richness and fullness based
on the researcher’s opportunity to explore a subject in its real manner. To capture the richness and fullness associated with qualitative data, a standardized way of collecting data is excluded. The non-standardized and complex data that have been collected has to be classified into categories before they can be analyzed in a meaningful way (Saunders et al. 2003). Qualitative data is based on meanings expressed in words (ibid). According to Backlund & Holmkvist (2006) qualitative describes “how people think in a certain way and why”. We found the qualitative approach to be suitable for our study as we wish to collect rich and extensive data in order to be able to reach our purpose and gaining a better understanding of Swedish MNCs international training programs.

4.3 Research Strategy
We have chosen to conduct a multiple case study using three Swedish multinational corporations in order to reach our purpose. Some important aspects to consider when conducting a case study is Case studies signifies emphasis on relationships, and the process and the fact that the case exists in a natural environment (Denscombe 2000). Saunders et al. (2003) defines a case study “as a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple source of evidence”. They further state that this research strategy is particularly suitable for individuals that want to gain a deeper understanding of the context of the research and the process around it. A case study can be a meaningful way of exploring an existing theory and has an ability to generate answers to questions asking “why?” and “how?” Thus, a well-constructed theory can, by investigation, challenge the existing theory or even provide source for a new one.

Our reason for choosing a multiple case study is to gain a deeper understanding of MNCs training programs using a cross-case analysis. As mentioned before, a case study answers the questions “why?” and “how?” which is in line with our purpose and research questions.

4.4 Data Collection
Our data collecting method for this study is one-on-one telephone interviews which will present us with primary data. An interview is a purposeful discussion between two or more people (Denscombe, 2000). An interview allows the researcher to gather valid and reliable data are relevant to the proposed purpose and research questions. The nature of the interview should be consistent with the research questions and objectives, the purpose of the research and the selected research strategy. (ibid)

We will be conducting three semi-structured interviews with the selected companies. Semi-structured interviews are designed in such a way that that the respondents can speak freely and is able to elaborate on the topic (Denscombe 2000). The semi-structured approach means that interview questions will be prepared and stated prior to the interview but it will allow the interviewer to change direction of the dialogue or to rephrase questions during the course of the interview (ibid). We chose this approach in order to be able to have control of the interview and direct it the way that we felt were appropriate to the situation and the responses to our questions.

Wiedersheim-Paul and Eriksson (2001) states that in order to benefit the most from an interview the interviewer should make sure that the analyzing process follows immediately after the interview has been conducted. Thereby, the researcher limits the risks of missing
important data that may not be documented by interview notes or audio or video recording (ibid).

4.5 Sample Selection

We choose to conduct our study on three Swedish MNC’s within different industries. The companies and respondents chosen were Margareta Braun, Recruiting Manager at ABB, Västerås, Sara Fredin, Human Resource Professional at Atlas Copco, Stockholm and Stefan Andersson, International Assignment Manager, Sandvik, Sandviken. The choice of companies was based on the fact they operate in different industries which will further increase validity. The choice of respondents was based on the assumption that they were the most appropriate people to be interviewed in regards to the purpose and research questions of the study. Since we were conducting telephone interviews to collect or data the geographical location of the companies HR offices were not important.

4.6 Data Analysis

According to Yin (2003, p.109) “data analysis consists of examining, categorizing, tabulating, testing or otherwise recombining qualitative evidence to address the initial propositions of a study”. A case study should have a general analytic strategy to define priorities of what to analyze and why. According to Saunders et al. (2003) there are different strategies of how to analyze the data collected. The different strategies can be categorized as follows:

- Understanding the characteristics of language
- Discovering regularities
- Comprehending the meaning of text or action
- Reflection

What differentiates the various approaches is the level of formality vs. the researchers own interpretation of the data as well as the level of structure. The first two categories listed above require a more structured strategy using preset procedures than the other two. The first two categories further represent a more analytic approach which is initially deductive, whereas the last two start off inductively.

According to Miles & Huberman (1994) analysis consists of three current flows of activity being data reduction, data display and conclusion drawing/verification.

- **Data Reduction**: The process of selecting, focusing, simplifying, abstracting, and transforming data into field-notes (Miles & Huberman, 1994). The researcher determines which data will be used until the final conclusions can be drawn and verified (ibid)

- **Data Display**: All the data collected in an organized, compressed, assembled way, which allows conclusion drawing and action (Miles & Huberman, 1994). Moreover Miles and Huberman (1994, p.11) state that “better displays are a major avenue to valid qualitative analysis”.


• Conclusion Drawing and Verification: The last flow of activity where the researcher begins to decide what things mean by pin-pointing regularities, patterns, explanations, possible configurations, causal flows and propositions (Miles & Huberman, 1994).

We will rely on the theoretical propositions and the analysis will follow these three steps provided by Miles & Huberman (1994) and by conducting a within-case analysis of all three case studies we will be able to thoroughly analyze each particular case. Then we will be conducting a cross-case analysis of the three companies included in our study.

4.7 Validity and Reliability

When conducting research one has to be able to determine the quality of the work. According to Denscombe (2003) the criteria for testing the quality of the work includes the neutrality level of instruments of research and the extent of which numerous researchers manage to draw similar conclusions. A test is valid when it measures what it is supposed to. How valid a test is depends on its purpose. If a test is reliable, it yields consistent results. Reliability is a prerequisite for measurement validity. (ibid)

Validity means that the researcher is measuring what was intended to be measured (Ejvegård, 1996). It is therefore of great importance to know what is actually measured and then be consequent in the use of it (ibid). Further, it is central to choose the source of data collection that best suits the study and gives the highest degree of accuracy (Bell, 2000). A validity problem could be if the environment studied is comprehended the wrong way, and therefore cause an incorrect analysis. To give a higher validity to the study, the results and conclusions should be compared to previous studies in the area and the possibility to use the results in other comparable situations should also work as a factor to strengthen the validity. (ibid)

To increase validity we choose to conduct a multiple-case study using three different companies. The validity is further strengthened by the fact that the companies operation within different industries. We also devoted extensive effort to finding the appropriate people to answer our questions. Furthermore we recorded the interviews which will further increase validity.

Reliability is a measurement whether the source of information can provide the same result if repeated, circumstances unchanged (Bell, 2000). Ejvegård (1996) further states that reliability simply tells whether results are adequate and trustworthy. The source of information has to be viewed critically in order to decide how reliable and valid the gathered information is (Bell, 2000). To increase reliability the purpose of the research must be clearly stated, theory should be thoroughly reviewed and data collection and analysis appropriately conducted (Denscombe, 2000).
5 Data Collection

In this chapter the data collected from three case studies will be presented, each containing three parts - company background, company IHRM strategy, and company training programs. The data was gathered using company websites and telephone interviews held with international HR personnel at the respective company.

5.1 Case 1 – ABB

5.1.1 Company Background

ABB is one of the world’s leading engineering companies helping customers world wide to use electrical power effectively while emphasizing increase industrial productivity in a sustainable way. ABB was established in 1988 through the merger of ASEA AB (Sweden) and BBC Brown Boveri Ltd. (Switzerland) and together they formed a multinational technology and engineering company specializing in providing power transmission and distribution automation. The 50/50 merger was a necessary solution to both companies separate problems and within a year the newly formed ABB Group acquired more than 40 companies and jump-started a large-scale expansion program in Central and Eastern Europe. During the 20\textsuperscript{th} century the company continued to focus their grow-strategy on Europe, Asia and the United States through a number of strategic investments, joint ventures and acquisitions. The focus has been to aid countries in building, developing and maintaining their infrastructures and operations recently shifted from large-scale solutions to alternative power and automatic technologies in power and automation. The company then choose to divest its nuclear power, power generation, and rail businesses in order to focus on developing their market strengths in the field of alternative energy. ABB’s continued business development then moved towards strengthening their business activities through small-scale alternative energy solutions, resulting in the company selling the majority of its financial services divisions, along with putting up their oil, gas, petrol chemicals divisions and building systems up for sale. In 2002 ABB streamlined their divisional structure to focus on two main business areas; power technologies and automation technologies. In order to strengthen their results further the company continued with their divestment program of non-core businesses.

Today (2006) ABB is a global leader in power and automation technologies enabling utility and industry customers to improve their performance while lowering environmental impact. ABB operates in more than 100 countries and offices are located in 87 of those countries in order to give its global and local customers the support they need to develop and conduct their business successfully. Headquartered in Zurich, Switzerland ABB today employs 103,000 employees worldwide and in 2004 revenues totaled BSEK 22.4. Within the world of ABB, technology is key and in order to develop new products and systems and R&D operations are spread out in ten different R&D centers in the U.S. and Europe. Another key ingredient within ABB’s business strategy is sustainability and they strive to balance economic, environmental and social objectives as part of the company business strategy. Besides ABB’s long and illustrious record of innovation and technological leadership within a number of different industries they are also known for their unique organizational structure. Globalization, industry consolidation, the environment, new technologies and so forth has forced the company to devote increased attention to rapid changes, increasing complexity and competition. Their business strategy is largely based on organizing the business structure around their customers and market channels and ABB’s global computer network links company engineers and scientists facilitating the exchange of ideas.
A telephone interview with Margareta Braun, Recruiting Manager at ABB Sweden was held to achieve our research purpose.

5.1.2 ABB’s IHR Strategy

ABB has a multifaceted approach for training employees to help them grow. ABB focuses on three main areas within its human resource strategy which are Business Excellence, Talent Management, and Rewards & Recognition. Business Excellence focuses on learning and striving for excellence, and the goal is for every ABB employee to desire continuous personal growth and organizational development. The goal of Talent Management is to identify and develop internal potential at all levels and at the same time recruit external potential to help ABB meet its objectives. ABB are committed to building confidence and capability of its people. The goal of area of Reward & Recognition is for employees to feel mutually beneficence in being employed at ABB.

ABB uses a global-matrix structure in which managers of each division report to the regional manager as well as an executive global manager. The matrix enables closer relationships between marketing, technical and financial strengths of high-pay countries and lower labor costs of less developed countries. The global-matrix structure allows the company to work centralized as well as decentralized, more locally focused or globally all dependants on the existing situation and what is most appropriate for each operation and or division. The company structure of ABB is managed by an international group of managers with extensive experience in their respective area of business. ABB recognizes that a diverse and talented workforce is a key component in achieving competitive advantage. They further believe that a wide array of perspectives resulting from bringing together people from different cultures, ages and genders, enhances innovation brings added strength to the company. ABB is committed to employing talented people providing them adequate support to achieve their highest potential. They emphasize diversity both in terms of their employees as well as customers, markets and communities in which they operate. An important part of the company’s international human resource strategy is the task of developing the competences necessary to pursue local opportunities.

The company generally puts focus on developing managers who have a global mindset but at the same time the company holds specific training for specific cases and particular international assignments. According to Margareta Braun – Recruiting Manager at ABB “our company’s human resources is one of the most precious resources and therefore need to be managed well.” Clearly training is an important part of the function of human resources and the company’s most common approach has been to develop existing employees by providing career coaching, added responsibilities and promotion opportunities. Targeting each individual employee’s potential and developing their talent, directly results from managers and employees interaction. Having senior managers mentoring junior executives and helping them target what opportunities each individual employee has for him or her self in order to emerge and further their career within the company. Mentorship advisement may include professional advice or address more personal questions and concern. Additionally there is an internal job market available for current ABB employees only.

5.1.3 ABB’s Training Programs

ABB offer general employee training programs and courses, as well as more customized training opportunities. The more standardized training programs for future expatriates include the Global Finance & Business Control Trainee Program which is an 18-24 month long
trainee program for recent college graduates. The program consists of three phases and training initially starts in the home country moving on to operations at headquarter locations and the program finishes off with an actual international assignment.

The company also offer more customized training options which include classes meeting a specific focus such as product, site or spoken language. This particular type of training is offered live to employees by personal instructor-directed classes held by specialists the respective field. Training involves theoretical presentations as well as hands-on training and exercises.

In addition to live education the company is in the midst of developing and providing eLearning courses to employees as well as external customers. A platform serves as a meeting place and for employees and external customers offering on-line courses in a mixed class room format to maximize potential learning. As of today the eLearning offered focuses mainly on providing technical knowledge and support for customers and employees but more knowledge and development eLearning topics should be up and running shortly. The offering of eLearning courses allows employees easy access to updating and educating themselves using the intranet and needless to say eLearning is cost effective and accessible.

ABB uses a centralized approach which originates at headquarters, and corporate trainers travel to subsidiaries and adapt the program to local situations when required. ABB has professionals that are responsible for training and development of employees located in subsidiaries around the world. They specialize in training employees for assignments abroad and in developing managers with a global mindset – understanding the complexities of managing people in different countries. The selection and recruiting of international personnel for international assignments is conducted internally and the process is rather unstructured. Usually a senior manager identifies a prospect expatriate and discusses the matter with him or her. Expatriate training differs from each case and is customized to the employees’ specific needs in each particular case. Examples of types of training are preparatory internal and external courses including language training and on- the job training. Regarding training of host-country nationals the company does not speak in terms of HCNs and TCNs since all ABB employees working in a country other than where he or she origins from are referred to as international staff. Thus training programs offered are similar to those of expatriates. For the same reason we were unable to receive information regarding distribution of expatriates vs. host-country nationals.

5.2 Case 2 - Atlas Copco

5.2.1 Company Background
Atlas Copco Group is a world leading provider of industrial productivity solutions. In close cooperation with its customers, Atlas Copco fulfils its mission to innovate for superior productivity. Products and services offered include generators, industrial tools and assembly systems, construction and mining equipment and compressed air and gas equipment as well as related aftermarket service and equipment rental. The Atlas Copco Group was established in 1873 and is a global industrial group of companies headquartered in Stockholm, Sweden. In 2006 the company’s global reach spans more than 150 markets, with its own sales operations in more than 70 countries. Products are sold and rented under different brands through a worldwide sales and service network reaching 150 countries, half of which are served by wholly or partly owned customer centers. Atlas Copco has more than 50 production facilities
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in 20 countries. Manufacturing is mainly concentrated to Belgium, Sweden, the United States, Germany, France, and China. In 2005 revenues totaled BSEK 53 and the company employed 27 000 employees.

The Atlas Copco Group operates through a number of divisions within three main business areas; Compressor Technique, Construction & Mining Technique and Industrial Technique. The vision of Atlas Copco is to be a leader in each one of those. Their vision is supported by the Group’s values which are interaction, commitment, and innovation concluded in their company slogan “First in mind – First in Choice™”. The Group has three overall strategic directions which are; organic and acquired growth, innovation and continuous improvements and strengthened aftermarket activities consisting of accessories, consumables, parts, services, maintenance, and training. Atlas Copco has strong global market positions and is a market leading actor in most segments where it offers products and solutions. Hence the company concentrates on strengthening its position within segments where they are already strong and have core competence. Within segments where they do not hold a market leading position and the possible risks of getting there exceeds benefits the company chooses to withdraw their operations within that area.

A telephone interview with Sara Fredin, Human Resource Professional at Atlas Copco Construction Tools was held to achieve our research purpose.

5.2.2 Atlas Copco’s IHR Strategy

Atlas Copco works actively with Human Resource Management which they refer to as People Management. The HRM department works heavily in cooperation with the communications department in maintaining and developing Employee Brand. The company consider themselves as an innovating MNC who meets and exceeds high expectations and sets standards. It is their belief that there is always room for improvement and the innovative spirit is a vital part of Atlas Copco Group’s identity and way of conducting business. Their vision of being First in Mind – First in Choice™ should be reflected internally as well as externally.

Atlas Copco recognizes the major challenge of coordinating the economic, environmental, and social dimensions of a multinational corporation. The economic challenges are to continue to develop and distribute increasing and added value to key stakeholders. Environmental challenges are to exceed the company’s own actions and within the social dimension the company’s faces their greatest and most abstract challenge being that it deals with actual human resources rather than technical issues. This part includes recruiting, developing, and retaining professional employees. In order to reach their vision Atlas Copco believe that the core idea of getting there is by attracting, developing, and keeping qualified and motivated people. As an actor on the global market arena they believe in hard work with continuous competence development, knowledge sharing, and implementation of core values. They expect each employee to contribute by committing themselves to the Group’s objectives as well as their own individual goals. Atlas Copco also relies on a leadership model which firstly emphasizes stability, followed by profitability, and growth. The model is used by all operational businesses within the company.

Atlas Copco focuses its attention of selecting and recruiting expatriate employees internally and all local and international assignments are advertised on the internal job-market. Secondly Atlas Copco advertises externally using appropriate newspapers for the particular market. The intended goal is that manager positions should be filled internally to a certain percentage
The recruiting process is rather traditional and straightforward, yet detailed and comprehensive. Apart from technical expertise, personality traits are of great importance as well as the ability to adapt to the new job situation. Other personal traits such as willingness to learn and being open-minded are highly valued in the selection process. The expatriate must be sincerely committed to the assignment and experience has shown that to be the most important aspect for successful expatriation within the company. Standards are high, being employed by Atlas Copco in their own opinion should be of great value to the employee and a company to be proud of. Only 10% of Atlas Copco employees operate in Sweden. Atlas Copco believes in assigning the best person suitable for the job and therefore nationality is ignored in favor of ability and where PCNs, HCNs and TCNs can be found in key positions anywhere.

### 5.2.3 Atlas Copco’s Training Programs

The HRM department at Atlas Copco Sweden consists of three main processes: people management, personal development, and organizational development, and all employees are continuously offered training and development possibilities in order to safeguard and to grow with the company. The goal is an average of 40h of training per year for each employee. Atlas Copco also offers their management level employees the opportunity to participate in what is called UGL-programs which are external development programs designed to educate managers in leadership and self-motivation and awareness. This is an opportunity for participants to grow and emerge and the company believes that in order to be able to manage people successfully one needs to know oneself. In addition to 40h of training per year, Atlas Copco employees receive systematic evaluating and feedback from management and the HR department.

Additionally, the company offers what they perceive as “High Potentials” within the company continuous education through the Atlas Copco international development program. The program gathers high potentials from different parts of the world joining together and receiving special training in the particular division in which they operate. Training and development is highly individual for each employee and Atlas Copco strives to accommodate their employees accordingly. The reality of working in a global environment requires great understanding of cultural differences and ability to adapt. Cross-cultural training is highly emphasized although according to Sara Fredin, Human Resource Specialist at Atlas Copco Construction Tools in Stockholm, Sweden “it is hard to prepare for what is to come”. CCT-training is individually designed and may include preparatory training such as language and introduction of cultural of the particular geographical area as well as actual going-abroad visits. More importantly the expatriate receives individual support throughout the assignment in close relation to the HR department in the home country as well as host-country. The company rarely uses external sources of CCT trainers.

The company strongly believes that the organization has a role to play in ensuring that people are given an adequate amount of knowledge and skills, strong support, and clearly communicated goals prior to and throughout an international assignment. More importantly individuals must be willing to face the new culture and look forward to meeting a diverse group of people, and it is the company’s duty to prepare expatriates for the mental and social adjustments that waits. Clearly communicated goals stem from managers’ responsibility of informing expatriates what their commitment really mean and what results are expected from them. They further offer their expatriates more in-depth training, by assigning future expatriates with an internationally experienced mentor in order to provide better preparation
and hopefully a distinct mindset change. Incorporating cross-cultural training into international training facilitates building interpersonal relationships, understanding cross-cultural differences and provides guidelines and techniques to help addressing and future issues underlying cultural roots of differences. Training includes an introduction to the country, history and culture aiming to give the expatriate a better understanding of the target culture’s values, customs, etiquette and possible impact on work and social life. To better meet our future expatriates needs they we use one-to-one training sessions or small groups, and sessions may include case-studies, workshops, sole plays and other interactive methods in addition to watching videos or information in a lecture format.

For higher management positions communication skills, time management, assertiveness and conflict resolutions for the appropriate culture are included. Language training is being offered most often the person already has adequate language skills required for the job. To be effective, training is being conducted one to two weeks prior to starting the new job. Expatriates are also offered pre-visit to the designated location and are given assistance in living arrangements and other accommodations for children and spouse. To Atlas Copco’s previous experience, culture shock ultimate leading to premature repatriation may not only be associated with the expatriate self but by with family or spouse. It is important to consider the amount of our organizations resources available at the time, time-frame and length in training, quality of the trainers, various types of training, and training costs in order for the business strategy to achieve the desired outcome of acculturation. Sara Fredin concludes by saying “the need to train people is unquestionable and adequate knowledge and competencies, people will develop a more stable psychological sense of well being, and thus become better socialized to their new environment.”

5.3 Case 3 - The Sandvik Group

5.3.1 Company Background

In 1862 Göran Fredrik Göransson founded the high-technology, engineering group which today have a world-leading position in selected areas with its advanced products. Today, the company is represented in 130 countries by different business activities, and further has almost 40,000 employees with annual sales of approximately SEK 63 billion. The Sandvik Group is one of Sweden’s largest export companies and is headquartered in Sandviken, Sweden. More than 95 percent of the sales, and approximately two thirds of production, is being conducted aboard. The core of operations in the Sandvik organization is high quality and added value, investments in R&D, close customer contact, and exports.

The Business concept of Sandvik states that the company shall: develop, manufacture and market highly processed products, which contribute to improve the productivity and profitability of the customers. Operations are primarily focused on areas where Sandvik is – or has the potential to become – a world leader. The operations of Sandvik are concentrated on three main areas: Sandvik Tooling, Sandvik Mining and Construction, and Sandvik Materials Technology as seen in figure 5:1. Each area is responsible for research and development, production and sales of their respective products.

- Sandvik Tooling: tools and tooling systems for metal cutting, as well as blanks and components in cemented carbide. Employs 15 000 people, with invoiced sales of SEK 20 800 million.
Sandvik Mining and Construction: Develops, manufactures and markets rock-excavation equipment, tools and services for mining and civil engineering. Employs 10 600 people, with invoiced sales of SEK 20 600 million.

Sandvik Materials Technology: Products made of stainless and high-alloy steel, special metals and resistance materials as well as process systems. Employs 8 400 people, with invoiced sales of SEK 17 000 M.

In 1973 the companies and offices were spread over 13 different countries in Europe and the American continent. Units in Asia, Africa and Australia were established during the 1960s, and the growth has conducted presence in 35 different countries by 1967.

5.3.2 Sandvik’s IHR Strategy
The most important asset in Sandvik’s organization is the employees, and there is a huge diversity of nationalities and languages among them with over 60 percent working in units outside of Sweden, the home country of the group. The area that employs the most workers is the EU, followed by NAFTA and Asia/Australia. Africa/Middle East, South America and the rest of Europe contribute a smaller part of the total employee rate. The ethical conduct and the humanitarian attitude towards workers are identified by Sandvik as a success factor for local markets all over the world. The workforce provides a variety of different skills, including expertise in production, marketing and sales, engineering, R&D, human resources, IT, finance and other areas. The broad range of professional skills is one of the success factors.

In every country that Sandvik is present in form of a subsidiary there is a country manager, which duty is to represent the company in relation to public authorities in the concerned country as well as make sure that the group-wide instructions and guidelines are followed. Everyone who comes into contact with the Group should feel that all the employees share the same values, and customers around the world should feel that they are dealing with the same company everywhere. Most business is carried out locally in close cooperation with customers, and therefore it is a central condition to have a local presence, where the local employees build the necessary and long-term relations.

All employees at Sandvik should share the common approach – open mind, fair play and team spirit – which will help overcoming the differences in culture and create a strong company culture all through the corporation. Further, Sandvik’s reputation as a company that cares has resulted in a number of different programs started in order to work towards the company’s focus on the environment society and the securing of competences in foreign markets. Sandvik’s Brazilian operation has started a project called “First Job”, which works towards educating and take care of youths between 16 and 18 years old that are unemployed. They are put into a two-year trainee program in the company that will give them an employment in Sandvik when they turn 18.

Substantial resources are invested in personnel recruitment and development programs. The return is employees who do their best to fulfil the company objectives, and at the same time the full individual responsibility encourages personal development of the employee. The personnel policy is based on encouraging, retaining and developing employees who wish to be able to actively effect Sandvik’s development and to achieve this recruitment is focused on searching for dedicated individuals with personal goals, who believe in long-term commitment and sees Sandvik as a company in which to develop. Sandvik’s rapid expansion has resulted in recruitment of many new young employees, and the company is constantly
changing in pace with operational development and outside demands. Moreover, it is the human capital that makes Sandvik well-prepared to meet the future.

For our research purpose we held a telephone interview with Stefan Andersson, International Assignment Manager at Sandvik Sweden.

5.3.3 Sandvik’s Training Programs
With the company values as a basis, human resource activities like organizational, leadership and team development programmes, personnel planning, recruitment and selection, compensation and benefits, industrial relations and personnel administration are developed. The worldwide organization gives Sandvik an opportunity to utilize a broad spectrum of skills and expertise, which at the same time provides a large internal job market. Internal recruitment across the boarders makes it possible to distribute skills throughout the organization. To identify candidates for managerial and key positions a uniform system is used. Further, vacancies in senior executive positions are posted world wide. Internal recruitment fills eight of ten positions, and creates continuity, and helps to keep knowledge, skills, and expertise within the company, and when needed complementary external recruiting is conducted in order to meet demands from outside sources.

To constantly have the right people at the right places employees are sent abroad as expatriates. Sandvik presently (2006) have 200 expatriates, of which about 20 are third country nationals, and the managers and specialists represents 23 different nationalities. The companies have expatriates in several areas around the world, which shows the global alignment of the company. Areas dealt with are NAFTA, Europe, Asia, and Africa. Of Sandvik’s 200 expatriates, home country nationals and third country nationals, the majority is working outside Sweden. The expatriates are stationed in all divisions and services included in the sphere of activities, for example as managers, specialists of production, marketing, and sales and/or accounting.

The use of expatriates in Sandvik’s multinational operations is utilized at two different occasions, when the competence of host country workforce is lacking or if the expatriation is a step of the personal development of the employee. The spread of the international workforce is based on the same notion, i.e. competence or personal development. The process of selecting expatriates is often determined by competence and individual development. Further, in some cases advertising is conducted, but the extent of this activity is very limited, and the recruitment process is mainly based on the same conditions as the selection.

The education programs at Sandvik are standardized and the preparing training is not dependent on the country of expatriation. The preparatory training process of expatriates is at Sandvik comprised of information about the company policy along with a review of conditions. Language education and cross-cultural training are also given attention during the process and are seen as important factors for success.

Education of the expatriates includes CCT programs, which are offered to expatriates in form of seminars lasting for about one and a half up to two days, and the central unit for expatriate management is responsible for the development, design, and implementation of the CCT programs. Besides the seminars other CCT activities are also provided. In the process of educating the expatriate a visit to the host country is included, and during this trip the potential living conditions like housing, schools, society, workplace and colleagues are
examined. Moreover, the CCT is normally conducted in the country from where the expatriate is sent on the assignment, i.e. the home country of the employee.

When the expatriate preparatory training is concluded the employee that is to be send abroad have to complete an evaluation form dealing with how the training was experienced, this is done in connection with receiving feedback from the person in charge of the seminars. This will help acknowledging drawbacks as well as benefits of the process. The experience of the CCT programs at Sandvik is positive, and is believed to have reached its purpose to prepare the expatriate for the international assignment.

International education programs for host-country nationals are not as wide-spread as the training programs for home country nationals and third country nationals. When preparing the host country workforce for an expatriate the procedure of training is the same as for the expatriates, and Sandvik has a global policy that controls the process and training.
6 Analysis

In this chapter the collected data will be analyzed and further compared to theories presented in the conceptual framework stated in chapter two. This will lead to an attempt to answer our research questions and finally end up in our conclusions and findings of the study presented in the final chapter.

6.1 Within-Case Analysis

The empirical data collected will in this section be compared to the concepts outlined in chapter three.

6.1.1 Within-Case Analysis – ABB

ABB offers general employee training programs and courses, as well as more customized training opportunities. The more standardized training programs for potential future expatriates include the Global Finance & Business Control Trainee Program which is an 18-24 month long trainee program for recent college graduates. The program consists of three phases and training initially starts in the home country moving on to operations at headquarter locations and the program finishes off with an actual international assignment. According to Shen (2002) important qualities to consider include context-specific abilities like industry-specific knowledge and cultural sensitivity and The Global Finance & Business Control Trainee program is the company’s solution to finding and developing that talent.

The IHRM strategy of ABB puts little or no focus on specific training for HCNs which in part is in line with Dowling & Schuler (1990) stating that international training is largely focused on PCNs, but also contradicts the theory as they continue to say that HCNs and TCN employees also need to be considered for training and development in order to succeed as a global organization. Regarding training of host-country nationals the company does not speak in terms of HCNs and TCNs since all ABB employees working in a country other than where he or she origins from are referred to as international staff. Thus training programs offered are similar to those of expatriates. For the same reason we were unable to receive information regarding distribution of expatriates vs. host-country nationals.

The selection and recruiting and training of international personnel for international assignments is conducted internally and the process is rather unstructured which is in accordance with Vance & Paik (2002) who say that common approaches to pre-departure expatriate training among MNCs are limited due to the emphasis on universal principles of managerial effectiveness and cross-cultural awareness. At ABB a senior manager most often identifies a prospect expatriate and discusses the matter with him or her. Expatriate training differs from each case and is customized to the employees’ specific needs in each particular case. ABB uses an ethnocentric approach to training international staff which originates at headquarters and corporate trainers travel to subsidiaries and adapt the program to local situations which is in accordance to Dowling & Schuler (1990) who state that training programs developed for expatriates from the home country can not be used in other countries for local employees with a different culture, since it is crucial that the training is adapted to local conditions.

The company also offer customized training options which include classes meeting a specific focus such as product, site or spoken language. Classes are offered live to employees by personal instructor-directed classes held by specialists in accordance with Kraimer (2004)
who states that expatriate adjustment relates positively to job performance and intent to complete the assignment. Further, contextual performance represents behavior of the expatriate that go beyond the job description and it requires the employee to engage in activities that ultimately benefit the organization. Therefore, expatriates must first be committed to foreign ability before they will engage in these contextual performances. Ways to increase commitments to foreign ability are thus related to success criteria of contextual performance and intentions to complete the assignment. (ibid)

ABB further emphasizes the importance of arranging a pre-departure trip where accommodation, transportation, and housing should be investigated which is also in line with the theory by Webb & Wright (2006) stating that it is favorable to arrange a visit prior to the assignment together with a representative from the culture in order to have the opportunity to meet the local management and other expatriates.

6.1.2 Within-Case Analysis – Atlas Copco

As an actor on the global market arena Atlas Copco emphasizes hard work with continuous competence development, knowledge sharing, and implementation of core values. Atlas Copco IHRM strategy reads to assign the best person suitable for the job and therefore nationality is ignored in favor of ability and PCNs, HCNs and TCNs can be found in key positions anywhere which in line with the theory of Deresky (2003) stating that MNCs wish to have well-trained managers with extensive international experience available to take charge in many intercultural settings, whether at home or overseas.

According to Vance & Paik (2002) MNCs pay increased attention to the value of expatriate personnel as a way to integrate their operating units appropriately and efficiently and similarly Atlas Copco expect each employee to contribute by committing themselves to the Group’s objectives as well as their own individual goals. Atlas Copco also relies on a leadership model which firstly emphasizes stability, followed by profitability, and growth. The model is used by all operational businesses within the company.

The selection and recruiting process at Atlas Copco is rather traditional and straightforward, yet detailed and comprehensive. Apart from technical expertise personality traits are of great importance as well as the ability to adapt to the new and job situation. Other personal traits such as willingness to learn and being open-minded are highly valued in the selection process which is in accordance to Garvey et al. (2004) stating that managers must adopt an optimistic posture, expect the unexpected, listen, and appreciate differences, and increase sensitivity and tolerance toward others. According to Sara Fredin, Human Resource Professional at Atlas Copco Construction Tools in Stockholm, Sweden “the expatriate must be sincerely committed to the assignment” and experience has shown that to be the most important ingredient for successful expatriation within the company which is further in line with Garvey et al (2004) who stress the importance of carefully selecting people based on their personalities and their ability to adapt to foreign cultures in addition to their technical problem-solving skills and knowledge.

Atlas Copco wants to ensure that their employees are given an adequate amount of knowledge and skills, strong support, and clearly communicated goals prior to and throughout an international assignment. More importantly individuals must be willing to face the new culture and look forward to meeting a diverse group of people, and it is the company’s duty to prepare expatriates for the mental and social adjustments that waits. Clearly communicated
goals stem from managers responsibility of informing expatriates what their commitment really mean and what results are expected from them which is in accordance with Kraimer (2004) stating that the expatriate must understand which behaviors are required for successful performance and within the organization. Further, it is implicated that high levels of adjustment are indicative of successful expatriate adaptation and adaptation results when the expatriate learns and maintains behaviors appropriate to the new environment and the level of adaptation determines secondary outcomes such as the individual’s performance (ibid).

Cross-cultural training offered to Atlas Copco employees includes an introduction to the country, history and culture aiming at providing the expatriate with a better understanding of the target culture’s values, customs, etiquette and possible impact on work and social life which is in accordance to Deresky (2003) stating that the purpose of cross-cultural training is to if not to eliminate but to reduce the “state of disorientation and anxiety about not knowing how to behave in an unfamiliar culture” i.e. culture shock. The company has further recognized culture shock to be reason for expatriate failure ultimately resulting in premature repatriation which is supported by the theory of Soochan (2003) stating that symptoms of culture shock, anxiety, frustration and disappointment can further complicate adaptation for the expatriate as well as his or her family or spouse. Thus companies should offer formal training programs to prepare workers and families for oversea assignments in order to minimize the risk of problems caused by culture shock. It is further supported by Zakaria (2000) who states that CCT aid to improve coping with unexpected events or culture shock in a new culture and can work as a means of reducing the uncertainty of interactions with foreign nationals as well as enhancing expatriates' coping ability to by reducing stress and disorientation.

Expatriate training at Atlas Copco is individually designed for each particular case and puts emphasis on the particular geographical area and target culture which is related to the theory of Varner & Palmer (2005) who claim that the further apart the concerned cultures are on the Hofstede’s classification of cultural dimensions, the more extensive the adaptation to the new culture will be. This reasoning is further supported by the fact that the insecurity of managing subsidiaries in culturally distant locations can be decreased through cross-cultural training and thus increased knowledge of the host culture (Triandis, 2000).

Training activities include case-studies, workshops, role plays and other interactive methods in addition giving lectures in a classroom format which is in accordance to Black et al. (1999) stating that it is for successful cross-cultural training to consider the appropriate level of mental involvement and effort of the trainer as well as the trainee. For higher management positions Atlas Copco include communication skills, time management, assertiveness and conflict resolutions for the appropriate culture. Language training is being offered but most often the person has adequate language skills required for the job.

To be effective, training is being conducted one to two weeks prior to starting the new job. Further Atlas Copco assign future expatriates with an internationally experienced mentor in order to provide better preparation and hopefully a distinct mindset change which is in accordance with Garvey et al. (2004) stating that MNCs should to provide international employees with a domestic mentor, who can serves as the chief liaison and a proponent during the employee’s absence. According to Atlas Copco the mentor does not necessarily have to be domestic but rather personal fit between the mentor and the trainee is more important. This contradicts the theory of Chinese MNCs which focus largely on in-house
training led by senior managers rather than exploration visits prior to going abroad (Shen 2005).

6.1.3 Within-Case Analysis – Sandvik

As shown by Hodgett and Luthans (2003) European firms commonly use home-country nationals in less developed regions and host-country nationals in developed regions. This can be acknowledged at Sandvik through the strategy to send home-country nationals when the host country workforce has a lack of knowledge. In line with the study of Hodgett and Luthans (2003) that explains that home-country nationals also are preferred when the purpose of the expatriate assignment is to better equip career-climbing managers, Sandvik send expatriates to achieve personal development of the manager.

Expatriate managers are according to Paik and Vance (2000) believed to have a better understanding of the corporate culture, and sending managers abroad would then facilitate the spread of knowledge. At Sandvik the policy is that all employees should share a common approach and share the same values throughout the corporation, and further a country manager is assigned in every area of activity to make sure that this is fulfilled.

Cultural differences existing in a multinational firm causes problems because of dissimilarity in values, beliefs, and perceptions (Zakaria, 2000). The employees at Sandvik represent a huge diversity of nationalities, and to keep the workforce on the same path the ethical conduct serves as a success factor together with providing information about the corporate culture.

According to Paik and Vance (2005) a competitive advantage can be achieved through widely distributing knowledge and skills throughout the organization. This supports Sandvik’s strategy to constantly have the right people at the right place, no matter where a position is available. Further, the skills and knowledge are distributed and utilized worldwide through the organization and the expatriates are stationed in all divisions of the corporation.

Paik and Vance (2005) state that international training is focused on expatriates, which is in line with Sandvik’s strategy to offer training to expatriates, while only a small extent of training is provided to host-country nationals. Shen (2005) states that appropriate and extensive training programs improve the performance of the expatriate and minimize the risk of failure. The result of Sandvik’s education programs shows encouraging results and has received positive response.

Sandvik’s training and education programs are standardized and not depended on the country of expatriation, this is against the theory explained by Dowling and Schuler (1990). The authors mean that training programs developed for expatriates from one culture can not be used for training employees with a different cultural background, i.e. third country nationals and host-country nationals, since the local conditions have to be taken into consideration when creating the plan of education.

Black et al. (1999) state that low rigor training includes listening to lectures, which Sandvik offers in form of culture seminars for the family that is to be sent abroad, dealing with issues like differences between home and host country. Practicing skills is done through the more rigorous type of training, where the participant is active (Black et al., 1999). This is offered through a study trip and interactive language training as recommended by Black et al. (1999). Black et al. (1999) further state that another aspect of the degree of rigor training is the time
spent on training. The length of training is at Sandvik the total time spent on a study trip, language education and a seminar that last for one and a half up to two days.

6.2 Cross-Case Analysis

In this section the data collected from the three cases will be compared through a cross-case analysis, where the individual cases will be compared to each other.

All three companies share the same belief that being a MNC and an actor on the global market puts great emphasizes on continuous competence development, knowledge sharing, and implementation of core values. They further agree on that in order to practice IHRM successfully it is vital to attract, develop and maintain qualified and motivated people combined with that the IHRM strategy and corporate strategy are linked together as a result of that values are shared throughout the corporation. Another similarity for all three companies in the study is that their IHRM strategy puts little or no focus on specific training for HCNs.

Table 6.1 displays the respondent’s answers regarding relevance of different components of IHRM. Each company’s components of IHRM were divided in knowledge sharing, competence development, and linking IHRM to corporate strategy. The respondents all gave the same answer on the different components, creating a very homogeneous picture of the three companies.

Table 6.1 Cross-Case Analysis of Components of IHRM

<table>
<thead>
<tr>
<th>Components of IHRM</th>
<th>ABB</th>
<th>Atlas Copco</th>
<th>Sandvik</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Sharing</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Competence Development</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Linking IHRM to Corporate Strategy</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Table 6.2 displays the respondent’s answers regarding the extent of training devoted to international workforce. The difference can be noticed in the field concerning attention devoted to specific training of expatriates, besides this category the answers were the same.

Table 6.2 Cross-Case Analysis of the Extent of Training International Workforce

<table>
<thead>
<tr>
<th>Training International Workforce</th>
<th>ABB</th>
<th>Atlas Copco</th>
<th>Sandvik</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attention Devoted to Specific Training for Expatriates</strong></td>
<td>Extensive - Individually Designed Training Program</td>
<td>Extensive - Individually Designed Training Program</td>
<td>Fair - Standardized Training Program</td>
</tr>
<tr>
<td><strong>Attention Devoted to Specific Training for HCNs</strong></td>
<td>Limited</td>
<td>Limited</td>
<td>Limited</td>
</tr>
<tr>
<td><strong>Attention Devoted to Specific Training for TCNs</strong></td>
<td>Limited</td>
<td>Limited</td>
<td>Limited</td>
</tr>
</tbody>
</table>

ABB and Atlas Copco offer more general standardized training programs as well as more individually designed training programs while Sandvik only offer a standardized training program for expatriates regardless of where the culture or country of expatriation.

Atlas Copco is the only company to assign their future expatriates with an internationally experienced mentor. Further CCT offered to Atlas Copco employees includes an introduction to the country, history and culture as well as additional communication skill-, time management- and conflict resolution training for the appropriate culture. CCT type activities at Atlas Copco include case-studies, workshops, role plays and other interactive methods in addition to less interactive training such as lectures and watching videos. The amount as well as length and degree of involvement vary between the three companies and Atlas Copco has made a conscious choice of incorporating CCT one to two weeks in prior to departure, ABB and Sandvik act flexible from case to case. Table 6.3 displays the respondent’s answers regarding different types of expatriate training.
Table 6.3 Cross-Case Analysis of Types of Expatriate Training

<table>
<thead>
<tr>
<th>Types of Expatriate Training</th>
<th>ABB</th>
<th>Atlas Copco</th>
<th>Sandvik</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Post-departure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCT</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Mentorship</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Pre-visit</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Pre-departure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCT</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Mentorship</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

All three companies have incorporated CCT into their expatriate training to some degree although Sandvik has limited CCT to pre-departure cross-cultural seminars, language training and a pre-departure visit. ABB uses a centralized approach to training which originates at headquarters and expatriate training is customized to the employees’ specific needs in each particular case. CCT at ABB include preparatory internal and external language training courses and on- the job coordination of a pre-departure trip where accommodation, transportation, and housing can be investigated. Table 6:4 below displays the respondent’s answers regarding CCT activities included in expatriate training programs.

Table 6.4 Cross-Case Analysis of CCT Activities

<table>
<thead>
<tr>
<th>CCT Activities</th>
<th>Conducted internally/ externally</th>
<th>ABB</th>
<th>Atlas Copco</th>
<th>Sandvik</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural Seminars</td>
<td>Internally</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Role Plays</td>
<td>Internally</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Videos and Books</td>
<td>Internally</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Workshops</td>
<td>Internally</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Language Training</td>
<td>Internally</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------------</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Interactive Language Training</td>
<td>Internally</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Non-interactive Language Training</td>
<td>Internally</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
7 Findings, Conclusions and Implications

In this chapter we will attempt to answer the research questions stated in chapter one, through presenting our findings relevant to our purpose followed by our conclusions. The chapter will end with implications for practitioners, theory and future research.

7.1 RQ1: How can IHR training in the context of MNC strategy be described?

All three companies share the same belief that being a MNC and an actor on the global market puts great emphasis on continuous competence development, knowledge sharing, and implementation of core values.

All three companies consider training to be an important part of the function of IHRM and they share the common approach of developing existing employees by providing career coaching, added responsibilities and promotion opportunities. Further they believe that targeting each individual employee’s potential and developing their talent, directly results from managers and employees interaction.

The companies further agree on that in order to practice IHRM successfully it is vital to attract, develop and maintain qualified and motivated people combined with that the IHRM strategy and corporate strategy are linked together as a result of that values are shared throughout the corporation.

Diversity within a company is considered beneficial to the overall IHRM strategy supporting the fact that a wide array of perspectives resulting from bringing together people from different cultures ages and genders not only enhances innovation but brings added strength to the company. All three companies are committed to employing talented people providing them adequate support to achieve their highest potential.

Another similarity for all three companies in the study is that their IHRM strategy puts little or no focus on specific training for HCNs and TCNs.

The analysis and our findings led to the following specific conclusions regarding research question one:

- Swedish MNCs have similar approaches to the practice of IHRM
- The most important factor regarding successful IHRM in Swedish MNCs is that it is closely related to the company’s overall corporate strategy.

7.2 RQ2: How can IHR training programs addressing expatriates and HCNs be described?

The companies’ attention devoted to specific training for HCNs and TCNs are limited, while the attention devoted to expatriates varies. All three companies offer standardized training programs for their expatriates, and two of them also provide individually designed programs that fit the specific needs of the employee.
Regarding post-departure training two companies offer cross-cultural training, all three provide a pre-visit to the host country, and only one offer mentorship. Pre-departure training is offered in all three companies in form of cross-cultural training, and one company also provides mentorship.

The educational programs in all companies are conducted internally, and further include cultural seminars, videos and books, interactive language training as well as non-interactive language training. One of three companies also provides role plays and workshops.

All companies are aware of the fact that the ability to adapt to the new culture and conditions of living may be the most important factor of success, if adaptation is not carried out as supposed a culture shock may occur and result in failure of assignment, as learned by one of the companies.

Of the three companies studied, two consider language to be of great importance, and to be offered to all expatriates. The third company believes that language training does not need to be provided to that large extent since the expatriates mostly already have the adequate skills.

The length of the training provided varies between the MNCs studied. One company’s time frame of education includes the total length of pre-visit, language training, and seminars for that last for approximately two days. Another company provides training for one to two weeks prior to the assignment. The third company offers a longer training program for graduates that include training in all needed areas, stretching between 18 and 24 months.

The analysis and our findings led to the following specific conclusions regarding research question two:

- Training programs are provided to expatriates, while host-country nationals and third-country nationals not receive training to the same extent.
- MNCs education programs for expatriates include; cultural seminars, videos and books, language training, and pre-visit to the host country.
- The MNCs are aware of the importance of education to the expatriates, and further training is considered to be a crucial condition for achieving successful results by the assignment.
- The time frame of training program varies among MNCs and no typical length of training programs exists.

### 7.3 Implications & Recommendations

The findings and conclusions presented in the previous chapter laid out a foundation for implications useful for application of our study. We will start by presenting implications for practitioners, followed by implications for theory and concluding with recommendations for further research.

#### 7.3.1 Implications for Practitioners

Implications for practitioners are suggestions to management based on our data and findings. The following implications are based on the empirical data, analysis and conclusion presented in the thesis.

- The MNCs should continue to emphasise the importance of extensive expatriate training considering it being a crucial factor in successful expatriation.
• MNCs training programs for expatriates should include CCT as well as language training, and pre-departure visits to the host country.

• Regarding training programs MNCs should incorporate more extensive training for host-country nationals and third-country.

7.3.2 Implications for Theory
The purpose of this study is to provide a better understanding of Swedish MNCs’ international human resource training programs. We started out by exploring moving on to describing and beginning to explain overall IHRM strategies of MNCs and expatriate training programs following our conceptual framework. In order to reach our purpose data was gathered by conducting three in-depth telephone interviews with International Human Resource Personnel at Swedish divisions of MNCs. The data was then analyzed case by case as well cross-case analyzed and conclusions were drawn.

7.3.3 Recommendations for Future Research
When conducting this study we came across areas that fell outside of the purpose of our research, some of the areas that may be of interest for future research are listed below.

• Comparing MNC’s International Human Resource Management in different countries.
• Gender differences regarding training of expatriates.
• Further investigate the underlying reason for limited training of host-country nationals and third-country nationals.
8 References


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REFERENCES


REFERENCES


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www.atlascopco.com

www.sandvik.com

Interviews:

Margareta Braun, Recruiting Manager, ABB, Sweden.
REFERENCES


Stefan Andersson, International Assignment Manager, Sandvik, Sweden.
Interview Guide

General facts about the company

- Company name
- Respondents job-title
- Area of business; products, services etc.
- Areas of operation

General about international training

1. Discuss the company’s international human resource management (policies, Strategies etc).

2. What is the breakdown between using expatriates vs. host-country nationals or third country nationals?

3. What are the reasons for that particular distribution of international employees?

International training of expatriates

4. Describe the selection process for expatriates?

5. Describe the recruiting process for expatriates?

6. Describe the training process for expatriates?

7. To what locations does your company send expatriates?

8. How many expatriates do you currently have working abroad and what positions do they hold at the company?

9. Does the training process vary for each division and/or country of operation?

10. How do you incorporate cross-cultural training into your training programs for expatriates?

CCT Activities/ Training Rigor/Level of Involvement

- Simulation
- Case studies
- Interactive language training
- Role plays
- Videos
- Lectures and books
- Area briefings
11. Is cross-cultural training implemented on location or at headquarters’?

12. Who is responsible for executing cross-cultural training for expatriates?

13. Who is involved in the actual cross-cultural training?
   - Mentors
   - Corporate executives
   - External educators
   - Other/others…

14. How is the cross-cultural training for expatriates evaluated?

15. How is the cross-cultural training for expatriates being measured?

16. Are the results of CCT for expatriates satisfactory?

**International training of host-country nationals**

17. Describe the selection process for host-country nationals?

18. Describe the recruiting process host-country?

19. Describe the *training* process for host-country nationals?

20. Does *the training* process vary for each division and/or country of operation?

21. How do you incorporate cross-cultural training into you training programs for host-country nationals?

22. Is cross-cultural training implemented at subsidiary location or at headquarters’ location?

**Activities in CCT**

- Simulation
- Case studies
- Interactive language training
- Role plays
- Videos
- Lectures and books
- Area briefings
- Other
23. How is the company’s corporate strategy reflected in HCN training?

24. Who is responsible for executing HCN training?

25. Who is involved in the HCN training process?

   - Mentors
   - Corporate executives
   - External educators
   - Other/others…

26. How is the company’s HCN training evaluated?

27. How is the company’s HCN training measured?

28. Are the results of the company’s HCN training satisfactory?
Intervjuguide

Allmän information om företaget

- Företagsnamn
- Namn och jobbtitel på respondent
- Företagets bransch, produkter, tjänster osv.
- Företagets geografiska verksamhetsområden

Allmänt om internationell utbildning

1. Berätta kort om företagets international human resource management (policys, strategier osv.)

2. Hur ser fördelningen mellan expatriater och host-country nationals/third country nationals ut?

3. Vad är tanken bakom företagets fördelning av internationell arbetskraft?

Internationell utbildning för expatriater

4. Beskriv urvalsprocessen för expatriater?

5. Beskriv rekryteringsprocessen av expatriater?

6. Beskriv den förberedande utbildningsprocessen för expatriater?

7. Var i världen har ni expatriater idag?

8. Hur många expatriater jobbar utanför Sverige idag och inom vilka divisioner och tjänster jobbar dessa?

9. Ser den förberedande utbildningsprocessen olika ut beroende på i vilket land expatriaterna är verksamma?

10. Hur inkluderar ni CCT i utbildningen av expatriater?

CCT-aktiviteter

- Fall studier
- Interaktiv språkundervisning
- Rollspel
- Videos
- Böcker och föreläsningar
- Förhandsvisning av det geografiska arbetsområdet
- Annat…
11. Tillämpas CCT huvudsakligen i Sverige eller verksamhetslandet?

12. Vilka närvarar/utför CCT

- Mentorer
- Chefer inom företaget
- Externa utbildare
- Annat…

13. Hur utvärderas utfallet av er CCT för expatriater?

14. Vem/vilka ansvarar för utformningen, samordning och implementering av CCT för expatriater?

**Internationell utbildning för host-country nationals**

15. Beskriv urvalsprocessen för HCNs?

16. Beskriv rekryteringsprocessen av HCNs?

17. Beskriv den förberedande utbildningsprocessen för HCNs?

18. Ser den förberedande utbildningsprocessen olika ut för HCNs beroende på verksamhetsland?

19. Hur inkluderar ni CCT i er utbildning av HCNs?

**CCT Aktiviteter**

- Fallstudier
- Interaktiv språkundervisning
- Rollspel
- Videos
- Böcker och föreläsningar
- Förhandsvisning av det geografiska arbetsområdet
- Annat…

20. Tillämpas CCT huvudsakligen i Sverige eller verksamhetslandet?

21. Vilka närvarar/utför CCT?

- Mentorer
- Chefer inom företaget
- Externa utbildare
- Annan/andra…
22. Hur utvärderas utfallet av er CCT?

23. Vem/vilka ansvarar för utformning, samordning och implementering av CCT av HCNs?