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Factors Contributing for Malaysian Employees' Willingness to Accept International Assignment

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ABSTRACT

The decision to take an International Assignment (IA) is always a difficult situation for any individual. IAs are often taken for enjoyment, travelling, exploring and challenging oneself with new environments in a different country. At the same time, people are confused, worried, and not ready to face the obstacles, especially those associated with unfamiliarity and, more importantly, the way they live and work. The study aims to identify the factors that could influence Malaysian human resources when considering themselves for an IA. This is important because there is a growing demand for global talent, yet the number of failure assignments is increasing. The study was conducted on 130 Malaysian respondents who were currently working with multinational company (MNCs) or for government sector or any other company type that has a business or subsidiaries outside Malaysia. Data were analyzed using the descriptive analysis and multiple regression analysis. The result shows that two factors—cultural factor and organizational factors—can influence Malaysians' willingness to take IA.

Keywords: Factors, Staffing, International Assignment

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Any remaining errors or omissions rest solely with the author(s) of this paper.

INTRODUCTION

The world is becoming more global, and to be successful, many companies have to compete globally. This globalization of business makes it more important for companies to learn how to successfully manage their employees who are assigned internationally and also to understand how multinational enterprises (MNEs) or multinational companies (MNCs) can operate more effectively (Brynningsen, 2009). International assignments (IA) are not just used to control or transfer knowledge to overseas locations, but they are also used for learning and development purposes and to ensure reverse flows of knowledge into the headquarters (HQ) (Sparrow, 2009).

Globalization of business has increased demand for talent, which leads companies to increase the numbers of expatriates who can move around the globe. An expatriate worker in an IA originally was intended to initiate, expand and control international operations of the MNCs. Edström and Galbraith (1977) and Harzing (2001) suggested that international staff transfers can take place for a variety of corporate motives, such as (1) filling positions in a foreign subsidiary due to a lack of skilled local human resources; (2) implementing management development; and (3) establishing control and coordination of geographically dispersed entities. Research by Bonache et al. (2001) and Hocking et al. (2004) added that transferring knowledge and skills to local human resources in the host country is another reason for IA.

Relocating expatriates to overseas locations is a global strategy for many organizations and in most situations, the success of this strategy depends on the ability to get the right people with the right skills, in the right place, and at the right time. The IAs differs with regard to the respective employees' country of origin and the destination of transfer. Reiche and Harzing (2009) classified IAs into three categories: Parent Country Nationality (PCN), Host Country Nationality (HCN) and Third Country Nationality (TCN). PCN is when nationality of the employee is the same as that of the headquarters of the multinational firm; HCN when the nationality of the employee is the same as that of the local subsidiary; TCN is when the nationality of the employee is neither that of the headquarters or the local subsidiary (Reiche and Harzing, 2009).

The success on staffing for IAs can be influenced by several issues and practices, including the similarities or differences of characteristics for the home and host countries, subsidiary features, the parent competitive strategy and the type of industry (Harzing, 2001; Welch, 1994). Earlier, Prahalad and Bettis (1986) indicated that top management's beliefs, attitudes and mindsets can substantially contribute to the success and failure of IAs, as the management's philosophy toward the firm's foreign operations is a crucial determinant of MNC management.

In general, an international staffing decision is costly and complicated. As stated by Black, Gregersen, Mendenhall & Stroh (1999), the international expatriate is the most expensive per-person investment that a company makes in globalizing. Thus, it is very important that this international assignment be managed and planned properly so that it will become a cost-effective and appropriate decision. The company that intends to staff people for IAs must prepare a proper hiring plan, manage the training and development and plan how to perform appraisal and rewards for the expatriates.

The Global Mobility Challenge Survey Report by Ernst and Young (2012) ranked the top five incentives for employees to take an international assignment (see Table 1 below).

Table 1 Top five incentives for employees to take an international assignment

Rank	Incentive	Percentage
1.	Repatriation assistance, including a guarantee that they could move back to their current role after two years with further relocation assistance	45%
2.	Round-trip airfare to return home for family visits	43%
3.	A paid trip to visit the country before agreeing to move there	43%
4.	Paid language training	42%
5.	Immigration assistance for spouse in order to obtain employment	42%

Source: Adapted from the report by The Global Mobility Challenge Survey by Ernst and Young (2012

Further, the Ernst and Young (2012) study reported that the willingness of the employees in taking an IA can vary based on the place they were raised, which suggests that the country climate and national culture can give impact to the decision. For example, the report stated that employees from Latin America (34%) and the Middle East and Africa (32%) were the most likely to take IAs. However, employees from Asia Pacific (24%), Europe (21%) and North America (20%) were less likely to take the assignment, as they were reluctant to work abroad. The report also noted that Malaysians were unlikely to take IAs (**The Global Mobility Challenge Survey** Report by Ernst and Young, 2012).

According to The Michael Page Employee Intentions Report of Malaysian Expatriates (2012), which surveyed 5,600 Malaysian expatriate respondents who are currently in a variety of professional posts and living and working abroad, respondents chose Singapore as their first priority for IAs, followed by China, Hong Kong, Australia and Japan. This result suggested that the acceptance of IA were

focused in the neighboring countries or countries at a low cultural distance. The report also suggested that the majority of respondents who opted for IA were young and had fewer family commitments. These young people were actually looking for better prospects in their careers as well as better incomes. However, they were also found to be quite immature and inexperienced, and they sometimes failed to adjust themselves to a different cultural environment. Many have experienced "culture shock" and were not performing up to the standard required by the parent companies.

The previous research also suggested that lack of pre-departure cross-cultural training, family issues, concerns over children's education in the host country and partners' and spouses' disagreements as factors inhibiting the success of employees' international mobility (Roy, 2013). Roy (2013) also indicated that for European companies, another major problem was due to the unattractiveness of the remuneration package because many employers were unable to offer attractive salaries and other benefits such as school fees, medical fees and housing subsidies to their staff. Meanwhile, Van der Velde, Bossink, and Jansen (2004) identified aspects of the psychological contract, such as organizational commitment and career satisfaction, which could also determine the success and failure of an IA.

The study by Hofstede (1980) on national culture suggested that country attractiveness can influence the employee's willingness and the success of the expatriate assignments in such countries. For example, more U.S. workers are willing to take an assignment if it is located in a more attractive working destination (Hofstede, 1980). In a study that associated gender and location on willingness to accept an expatriate assignment, Lowe et al. (1999) suggested that females are less willing to accept assignments in countries that are less developed and attractive.

Research Objectives

A study by Kopp (1994) noted the difficulty in finding the right candidate for an IA as the key challenge for Japanese, European and American MNCs. Parallel with the needs for business globalization, organizations within Malaysia are also proactively trying to make their people more mobile. In the current business environment, no company can work independently; they form joint ventures or strategic alliance with local and international companies. Further, the situation demands that the companies prepare their human resources for IAs.

This study aims to identify the factors that contribute to Malaysian employees' willingness to accept IAs. Another objective is to determine whether Malaysian employees' willingness towards staffing for IAs is affected by personality factors, cultural factors and organizational factors when making the decision to accept the IA. The findings of this study will help the management of companies that involve

international operations to identify the factors that could promote Malaysian workers to accept IAs, and then they can plan how best to recruit, manage and reward these Malaysian workers to accept IAs.

Research Hypotheses

This study aims to determine whether Malaysian employees' willingness to accept IAs is affected by personality factors, cultural factors and organizational factors when making the decision to accept the IA.

(a) Personality factor

Assessing expatriate success or failure based on personal characteristics includes the ability to deal with stress, emotional stability, self-esteem, adaptability, willingness to change, willingness to communicate, conflict resolution orientation, kindness, cultural sensitivity, dependability and responsibility. Black et al. (1992), for instance, reported that managers who were less judgmental, less likely to evaluate others' behavior in the new culture and more willing to try new things more readily adjusted to expatriate assignments.

H1 : There is no relationship between personality factor and Malaysian employees' willingness to accept IAs

(b) Cultural factor

Globalization requires good cross-cultural understanding and adjustment skills in managing international operations successfully. However, cultural understanding and adjustment can be rather difficult. This factor is tested because previous research suggested that staff's willingness to take IAs would be higher if the host countries' cultural and common practices are to the home country. These cultural and common practices should cover the terms of work or non-job practices, such as the type of food consumed, attire and religion. Staff may have anxiety about facing cultural shock, as described by Oberg (1960). Oberg (1960) stated that, despite the undoubtedly positive nature of certain aspects of the international assignment experience, the exposure to a foreign culture will involve high levels of stress and uncertainty.

This study aimed to identify whether the perception of cultural similarity or cultural difference will affect the willingness to accept IAs. According to Aycan (1997, p. 22) quoted that when an expatriate arrive in the host country,

he/she examine the extent to which the new culture is similar to their own. If the perceived differences between the home and host country are large then uncertainty about how to behave in work and non-work settings is likely to be intensified. Thus, the findings is important to help the management plan appropriate programs to help the expatriates undergo the process of cross-cultural adjustment to reduce their stress, insecurity and ambiguity of not knowing what is appropriate (Black & Gregersen, 1991).

H2 : There is no significant relationship between cultural factors and Malaysian employees' willingness to accept IAs

(c) Organization factor

Multinational companies, both in the West and the East, are placing increasing emphasis on IAs, and the success of expatriates is critical to these assignments. Based on past research, organizational factors can be considered one of the factors that could significantly affect the decision to accept the IA. As stated by Bandura (1997) employee who perceives strong organizational support would be more confidence to perform his task.

Organizational factors involve the management's decision on the compensation package, offered terms of salary and allowance as well as other benefits, such as career advancement and personal development. As Stahl, Miller & Tung (2002) suggested, most expatriates regard IAs as potentially valuable opportunities for personal and professional development and for career advancement. However, at the same time, they were also skeptical about whether or not their particular assignments will enhance their advancement within their companies.

H3 : There is no significant relationship between organization factor and Malaysian employees' willingness to accept IAs

Based on the literature and hypothesis discussed above, this study has developed a research framework as in Figure 1 below to show the relationships that are to be tested in this study.

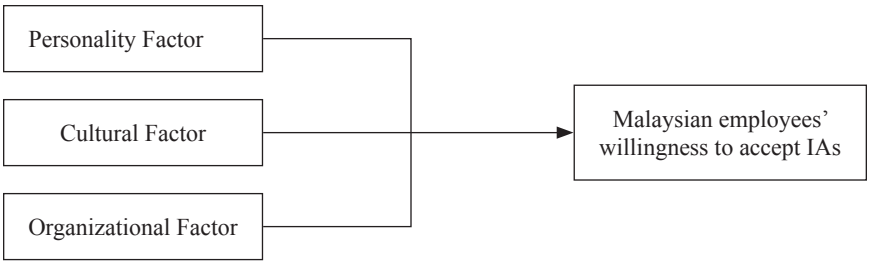

Figure 1 Research framework

Methodology

The respondents were Malaysian working adults (at least 18 years old) who were currently working with MNC, government sector or any type of companies which has business or subsidiaries outside Malaysia or involves a cross-border operation. The questionnaires were distributed to the respondents using convenient sampling within the Klang Valley, Selangor, Peninsular Malaysia, and the study has received 130 acceptable questionnaires from the respondents.

Research Instrument

Questionnaires for this research were developed to test variables such as Personality factors, Cultural factors, Organizational factors, and Malaysian employees' willingness to accept IAs.

(a) Personality factor

The questions relating to this item were to assess the respondent's personality attributes in term of extraversion (agreeableness) and neuroticism (emotional instability) as important predictors of receptivity towards expatriate assignments. We use Goldberg's (1998) personality trait items for the assessment. The questionnaire includes ten items for each of the Big Five factors: agreeableness (11 questions) and neuroticism (12 questions). For each of the items in the personality scales, respondents were asked to answer yes or no.

(b) Cultural factor

Questions for this item were asked with the aim to investigate whether Malaysians want to be in a country with a similar culture or a different culture compared to their home country. The items were adopted from the studies by Black & Gregersen (1991).

(c) Organizational factor

Global assignment literature suggests that companies need to support the careers of the sponsored assignees and the spouses while they are abroad in order to increase the willingness of the employees to take the assignment. The questionnaires in this area are adopted from Brett and Stroh (2006). These questions were important because they examined the importance of and impact on company policy towards staffing for international positions. The questions will ask employees on the importance of company support and facilities in supporting their relocation to overseas. Questions use 5 point Likert scale where 1= not important and 5= very important.

(d) Malaysian employees' willingness to accept IAs

The dependent variable for this study is Malaysian employees' willingness to accept IAs. The questionnaires for this section were adopted from Brett and Stroh (2006). There was 10 items measured and the questions used 5 point Likert scale where 1= very unwilling and 5= very willing.

(e) Demographic

The questionnaire also has section that ask respondents on the demographic profile such as age, gender and marital status and profession

Reliability Analysis

The statements for each attribute have been tested using the reliability test. As shown in Table 2, all of the constructs have values more than 0.5, and these indicate that the constructs have an acceptable range of reliability. In specific, Table 2 has shown that the study has alpha value for willingness to staff for IA of 0.713, alpha value for Personality Factor (0.892), alpha value for Culture Factor (0.713) and alpha value for Organizational Factor (0.933).

Table 2 Reliability analysis

Constructs	Alpha value (α)
Malaysian employees' willingness to accept IAs	0.713
Personality Factor	0.892
Cultural Factor	0.713
Organizational Factor	0.933

Analysis

As stated earlier, the purpose of this study is to determine the Malaysian employees' willingness to take IAs and to identify whether personality factor, cultural factor and organizational factor would affect the willingness of Malaysian employees' to take IA. The study has collected the data from 130 respondents. The respondents in general were aware and willing to take up the assignment. However, their willingness can be affected by certain factors, and, the results are discussed below.

(a) Demographic Profile

Frequency distributions based on the demographic profile of the respondents are shown in Table 3. 54.5% of the respondents were male, and 45.5% were female. The frequencies for gender clearly showed that the questionnaire has been distributed almost equally among respondents to eliminate gender bias in the analysis. Most of the respondents are married (91.9%), 8.1% were single and only 0.8% were widowed. From the survey, 56.9% of the respondents were managers, 28.5% were CEOs/Directors, and 14.6% were executives. The results are summarized in Table 3.

Table 3 Demographic profile

Variables		Frequency (n)	Percentage (%)
Age	Below 25 years old	22	17.9
	26 to 34 years old	49	39.8
	35 to 44 years old	43	35.0
	Above 45 years old	9	7.3
Gender	Male	56	45.5
	Female	67	54.5
Marital status	Single	10	8.1
	Married	112	91.9
	Widowed	1	0.8
Profession	CEO/Director	35	28.5
	Manager	70	56.9
	Executive	18	14.6

As stated earlier, this study also tested whether there is relationship between personality factors and Malaysian employees' willingness to accept IAs. Table 4 indicated the correlation between Personality factor and Malaysian employees' willingness to accept IAs as statistically 0.377 and $p>0.05$. Thus, the hypothesis of no association cannot be rejected, which also suggests that personality has no relationship to the willingness to take an IA.

Next, the study tested whether there is relationship between Cultural factor and Malaysian employees' willingness to accept IAs, the result shown as statistically 0.000 with $p<0.01$. Thus, it can be suggested that there is a relationship between Cultural factor and Malaysian employees' willingness to accept IAs. Last, the study has tested correlation between Organization factor and Malaysian employees' willingness to accept IAs, the result as shown in Table 4, indicated that the value was 0.008, and $p<0.01$. Thus, this dictated that is a relationship between Organization factor and Malaysian employees' willingness to accept IAs.

Table 4 Summary of multiple regression analysis

Dependent variable	Independent variables	Relationship direction	Significant value	Result on hypothesis
Malaysian employees' willingness to accept IAs	Culture	Positive	0.000**	Rejected
	Personality	Negative	0.377	Accept
	Organization	Positive	0.008**	Rejected

**. Correlation is significant at the 0.01 level (2-tailed).

DISCUSSION AND LIMITATION OF THE RESEARCH

The current research has tested three factors in determining the Malaysian employees' willingness to accept IAs. The findings suggested that out of the three factors, Malaysian were affected by two, cultural and organizational factors. In other words, it can be said that the expectations which the Malaysian employees have on the relocation destination would give impact on the willingness to accept the assignment. This assumption suggests that if they perceived there is cultural different between Malaysia and the host country that they are going to be relocated, they may be unlikely to accept the IAs. Thus if management want to increase the number of potential candidates that would accept IAs, the management must help them to foresee positive and desirable international experience, and to focus to those who already have international contacts or exposures. This study finding is supported by the previous researchers' studies such as Carruthers & Pinder (1983) and Black and Mendenhall (1990).

With reference to organizational factors, the study asked questions whether the organizational supports and facilities that are provided would give impact to the willingness to accept the IAs. Based on the findings, the study can suggest that it is important that organization be able to provide positive supports such as providing assistance for employee, spouse and children, providing attractive compensation, and plan a career path for the expatriate on his return from IAs, if the organization wants to increase the likeliness to accept IAs.

For the third variable which is personality factor, the study tried to identify whether personality such as ability to deal with stress, emotional stability, self-esteem, adaptability, willingness to change, willingness to communicate, conflict resolution orientation, kindness, cultural sensitivity, dependability and responsibility would affect the willingness to accept IAs. Takeuchi, et al, (2005) in their studies suggested that personality traits can influence the willingness to take the IAs, however, in contrast, this study found that personality factor is not affecting the willingness to take IAs.

Overall, the study has contributed in terms of describing that cultural factor and organizational factor do give impact in Malaysian employees' willingness to accept IAs, however, at the same time the study also shown its limitations that suggest directions for future research. First, within this study, willingness to accept IAs was assessed using a single-item scale. Secondly, we only study three variables, which were cultural factor, organizational factor and personality factor. The study assumes it would be interesting to if we could use demographic factors as the moderating variable in study the willingness to accept the IAs. Thus, we suggest the future research study on more variables and may be identify the strength of the relationship for the factors studied in their research.

CONCLUSION

Staff members that are selected to take IAs actually brought with them the potential to gain competitive advantages for multinational corporations. These staff members, also known as expatriates, carry out assignments such as facilitating the operation of foreign subsidiaries, establishing new international markets, spreading and sustaining corporate culture and transferring technology, knowledge and skills (Brown, 1994; Klaus, 1995). This paper highlights what factors contribute to Malaysians staffing IAs.

The first objective of this paper is to determine whether Malaysian employees are willing to take international assignments**.** Based on the findings, it can be inferred that Malaysian employees' willingness to accept IAs can be influenced by several factors, three of which were tested in this study: personality factors, cultural factor and organizational factors.

The study also found that there is no relationship between personality factor and Malaysian employees' willingness to accept IAs. This finding suggests that the personality traits, such as whether the respondent is agreeable or neurotic, are not relevant when making the decision to take the assignment.

With regard to whether there is relationship between cultural factors and Malaysian employees' willingness to accept IAs, there is a positive relationship. This finding suggests that Malaysian workers' willingness can be affected by their assumptions about cultural similarity between their home country and the host country. This suggest that, it is very important that the parent organizations or the MNCs provide help in terms of anticipatory adjustment to the candidates or potential employees for IAs by giving cross-cultural trainings and use more comprehensive selection criteria when choosing candidates for IAs.

Finally, the study indicates that there is a relationship between the organizational factors and Malaysian employees' willingness to accept IAs. Therefore, it is suggested that if MNCs or organization that involve relocation to international countries, to include an attractive compensation package, plan advance career development after relocation and more importantly, able to offer support for spouse and family.

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