



## TRAINING AND MANAGEMENT DEVELOPMENT OF MNEs ON IHRM PRACTICES

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### ABSTRACT

Currently, training and management development is a key significant management skill for Multinational Enterprises (MNEs) to succeed in the global competition. MNEs need to train expatriates and their spouses effectively in host-country nationals (HCN) and third-country nationals (TCNs) and develop the international human resource management (IHRM) team. The quality of training programs concern employees to help the expatriate's operational performance to achieve MNEs' goals. Coaches, executives and organisations should enable to understand the international training and development clearly. Thus, this paper is a literature review is to study the international training and development in MNEs. It reveals the training and development on IHRM practices in countries. The findings of this paper represent the countries that provide international training and management development effective. In addition, there are some recommendations for trainers, MNE's human resource manager to prepare the higher quality of training programs in the last section.

**Keywords:** Training, International human resource management, Multinational enterprises, international management development

### INTRODUCTION

The success of multinational enterprises (MNEs) is under the influence of international human resource management (IHRM) that is a significant management skill to assist in many firms' survival (Briscoe and Schuler, 2004). The IHRM functions are composed in various responsibilities, including the planning, employment, selection, training, and evaluation of employees for international operations. These elements of IHRM focus on corporate strategy issues, environmental factors and IHRM policies and practices. Training and development are an important strategy issue in IHRM policies and practices (Tatli, 2005). Moreover, one of IHRM's most crucial activities is the international training and development that there are many potential benefits. The effective international training and management development is managerial requirement of MNEs to achieve

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their goals (Shen, 2005). The quality and relevance of training programs concerns employees mainly that it can help expatriate's operational performance (Zheng et al., 2007). The purpose of this literature review is to examine the international training and development in MNEs between 2000-2011. Aspects of the main significance elements in international training and management development will be studied, including the importance of international training and development, international training provision, reasons for not providing adequate training, training programmes and international management development (Shen and Darby, 2006). The last section concludes with the conclusion and recommendations for expatriates, coaches, executives and firms, which could enable to understand the international training and development more clearly.

#### **IMPORTANCE OF INTERNATIONAL TRAINING AND DEVELOPMENT**

According to Dowling and Welch (2004), the international training and management is the human resource strategy to maintain working skills of employees that it supports core competencies of employees. It was found that MNEs have increasing managerial training of staff operation to aid in the coordination of activities. Moreover, Caligiuri et al. (2001) represent that the relationship between the provision of international training and expatriate expectation. They found the cross-cultural training make highly relevant in real difficulties of expatriate performance management. In additional, Yamao and Fenwick (2006) examine the role training and development and knowledge transfer measurement in MNEs. It focuses on the significance of training and development that have a relationship with the general ability of employees in successful knowledge transfer. They found MNEs training and development practices for employees of the source and recipient firms that help employees to achieve in the knowledge transfer.

Training helps expatriates to improve their current working behavior and skills. Development encourages employee to increase their abilities that relate to some future job or position. There are several major issues that deal with identifying, promoting, fostering and using internal managers. International management development is very significance for MNEs because it is the central role in integrating international operations and developing a cross-national corporate culture (Shen, 2005).



Moreover, there is the research evidence that MNEs provide training for expatriates. It develops effective worker's abilities to adopt expatriates working in the host country easily (Hill, 2007). For instance in Middle Eastern assignments, expatriates require assistance in the culture training that they need to provide training for expatriates and their families about housing, schools, currency and health issues. The training is the importance for expatriates and their families to participate in cultures that training helps expatriate to prevent any problems from routine activities. There are many restrictions about clothing and appropriate behavior of Saudi Arabia women that are one of obstacles for expatriates joining the culture. Training encourages expatriates and families to achieve the cultural adaption that influence to the effective operation of expatriates in the host country (Jun, 2001).

#### **INTERNATIONAL TRAINING PROVISION**

There are some papers to examine the nature and extent of training programs, training expenditure and training concerns of MNEs' operation in six Asian countries (Malaysia, Indonesia, Philippines, Taiwan, Thailand and Singapore). It is a comparison of different training practices between Asian and non-Asian MNEs that reveal the relevant and effective training programs of practitioner and HR professionals. These training programs promote their firms to achieve in the dynamics Asian Business environment. There are some differences between the training literatures and training practices that MNEs cannot control all training program in the practices. For instance, firms of the parent country can use training program sufficiently in their country, but when they use the training program for subsidiary company in the host country, it is not successful. Maybe it has the other significant organizational factors that the organizations do not consider in training operation such as culture, structure, international business strategy and managerial philosophy. Firms should consider these factors to affect on training practices before real operations because they will acutely predict the outcome of training practices. Moreover, It is found that Asian executives are not satisfied with the training method that they think these programs are not necessary for local employees. They assume these training programs, is the lack the quality (Zheng et al., 2007, Glinow et al., 2002).



For examples in Chinese MNEs, there is the little number of firms that have their training school for employee or expatriates. The training program of Chinese MNEs is not formal system that they do not analyze expatriates' performing or evaluation on training. MNEs use the major preparatory training strategy that senior managers or external academics are provider the in-house training. MNEs do not use employing external consultants. All expatriates are provided training in similar programs. MNEs also provide the other methods training, including reconnaissance visits abroad and probation (Shen and Darby, 2006).

Europe or other non-Asian managers expect to training programs of MNE's headquarters, can help performing of local employees. They assume to training programs that are useful and important issues for organizations in the present competitive business environment (Tan and Lopez-Acevedo, 2003). MNEs intend to focus on the ratio between benefits and costs of training that supports employees with higher education levels. They provide training the workforce with the greater learning abilities implies that training aims is to deal with higher revenue in employees performance (Blunch and Castro, 2005). The training of Irish MNEs is comprehensive training packages that some firms provide the employees visit the overseas location (Monks et al., 2001).

In New Zealand, there are many training providers that the New Zealand Association of Training and Development support management education to propose approximately 180 different learning programs. For example, Telecom and Fonterra attend to increase the training and development for employees. Fonterra gives opportunities for employees to offer jobs in over 140 countries with 20,000 roles worldwide. Fonterra is the largest exporter company of New Zealand that maintains training, coaching and development to achieve employee performance. Telecom is the biggest public listed organizations of New Zealand that provides high performance of training and development including managing finances, managing people, influencing people and understanding customers. It work training participates with universities in New Zealand and Australia that programs provide for executives with a tailored management development program (Pio, 2007).





### **CULTURAL TRAINING**

Cultural training explores to feed suitability for the culture of the host country that it help expatriate to understand in dealing with the host nation's culture. The aspects of the culture are necessary in training that comprise of history, politics, culture, politics, economy, social, religion, business practices, housing and sensitivity training for flexible attitudes. The organizations provide cross-cultural training for probation that employees are sent to overseas subsidiaries. Cultural, physical and interpersonal adjustments to the new host environment affect to professional effectiveness in business responsibilities of expatriate's achievement. Thus, cross-cultural training programs focus on improving knowledge, abilities and skill of expatriates need (Shen, 2005). Moreover, there is a study of cross-cultural training practices and policies in terms of the level of rigor, provision of delivery that the different cross-cultural training affects to the expatriates' working effective in Australian MNEs (Shen and Lang, 2009).

### **PRACTICAL TRAINING**

Practical training is necessary for day-to-day life of the expatriates and their family that it can help to adapt successfully at the workplace and their home (Chitakornkijsil, 2010). Expatriates are quick integration with workmate. Their family is easily adaptability with the foreign culture (Hill, 2007). For example, Toyota opens the training centre in North America. Toyota provides the training practices for employees who work at the plant in the U.S., Mexico and Canada. It trains about the best practice globally in the standard manner. Training programs focus on simulate hand-on operation that involve body weld, plastics, stamping, paint, assembly, internal logistics and quality control (IMPO, 2006).

### **REASONS FOR NOT PROVIDING ADEQUATE TRAINING**

According to Shen and Lang (2009) that reveal the lack of effective English training in many host countries. MNEs do not provide enough time that the training program is too short. It cannot help expatriate to improve their communicate skills. Moreover, Training of Asian MNEs is very unclear that there are some different the training practice in the industry sector such as in China and Indonesia.



## INTERNATIONAL MANAGEMENT DEVELOPMENT

According to Monks et al.(2001), the international management development is a very importance program for MNEs because the international human resource development able to support any future situation. The development programs can help the organization to improve the managerial operations in international competition. Moreover, international development is individual skill and career development that relate to job rotation, promotion, training and international human resource development (Mabey, 2008). For examples, the American, Australian and Canadian manager have planning for future training and assignment as adequate. In Asian managers are lack of substantial development that they do not understand the importance development practices According to Harvey et al. (2001), cognitive development of multicultural, international work is the important factor of successfully market in the global competition environment. Effective operation of across culture will be a critical success requirement for executives in the global marketplace. MNEs use strategic-international staffing orientation to help mangers control expatriates that MNEs create motivation to expatriates by orientation programs. Expatriates need to work in distant company because they learn the foreign culture before they will go to work in the host country. In additional, Jenkins & Mockaitis (2010) use the expatriate evaluation to find expatriate perception in the host country that they found the cultural difference is an important influence on expatriate adjustment. MNEs must provide training the culture of the host country for expatriates. For example, the U. S. companies use strategic-international human resource management orientation at their Mexican affiliates that they provide cross-cultural training. They evaluate the cross-cultural orientation for development practices that employees suggest specific training method with strategic-international human resource management orientation. MNEs need to provide the similar the orientation programs in the parent company and subsidiary company because employees able to rotate to other subsidiary (Envick et al., 2002).



## CONCLUSION

International human resource management is significant implementation of MNEs' administration. Training and management development are important strategies that relate to the successful management of the organization. There are many important benefits of international training and development. Training is the development in expatriates' current working skill. Development is an improvement for future work. Moreover, international management development encourages expatriate to understand the developing a cross-national culture and integrating international operation. It also helps expatriates and their families to understand the culture in the host country. Expatriates able to cooperate with workmate easily. Their families can drive everyday activities fluently. In additional, training and management development help MNEs to develop the knowledge transfer of employees. There is different international trainings worldwide that some Asian countries provide lower quality of training programs such as in Indonesia and China. However, there are some countries that MNEs provide comprehensive training programs such as in Australia, UK, New Zealand and Europe countries. The international training programs usually focus on cultures, practices and languages that are aim to improve expatriates' skills. Moreover, Chinese MNEs support management development that they do not clearly transfer the training's aims from headquarter to subsidiary firms in the host country. There are some reasons for not providing suitable training, including cost, training method, executive's supporting and worker's participation. To sum up, the international training and development are key significant factors to take MNEs to survival in international competition. MNEs should provide training and management development in the overall organization. They should clearly set training strategy to promote employees assume to the importance of training and development programs. Trainers should understand the expatriate's culture. Expatriates should prepare to learn the language and culture of the host country. They also study some practices that are necessary for their work.



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