2011

Redesign of job analysis in a global organization

Jessica Gomez

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REDESIGN OF JOB ANALYSIS IN A GLOBAL ORGANIZATION

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A Research Project

Presented to the Faculty of

The George L. Graziadio

School of Business and Management

Pepperdine University

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In Partial Fulfillment

of the Requirements for the Degree

Master of Science

in

Organization Development

_____

by

Jessica Gomez

August 2011

This research project, completed by

JESSICA GOMEZ

under the guidance of the Faculty Committee and approved by its members, has

been submitted to and accepted by the faculty of The George L. Graziadio

School of Business and Management in partial fulfillment of the requirements for

the degree of

MASTER OF SCIENCE

IN ORGANIZATION DEVELOPMENT

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Abstract

Companies are increasingly experiencing the pressures of accelerated change, increased demand, and increased competition from businesses around the world. Global competition and changes in the way business is conducted have compelled organizations to find new ways to create competitive advantages. Many organizations are addressing this challenge by reducing their payroll expenses through offshoring. As jobs move overseas, the tasks facing human resources professionals undergo substantial changes as well. This study examined human resources strategies relative to offshore talent in multinational organizations. The goal of this research was to provide guidance to organizations that are offshoring their operations.

Seven international human resources professionals and two international business process consultants were recruited into the study using a convenience sampling approach. All individuals had domestic and international work experience. A one-on-one telephone interview was conducted with each participant using 19 questions organized into five categories: planning the offshoring effort, organization culture assessment and adaptation, performance management, recruiting, and development. Thematic analysis was used to examine the data.

This study found that multinational organizations are facing a fierce war for talent in offshore labor markets: talented candidates are demanding prestigious job titles, promotions and upward mobility, strong compensation, and clear career paths. The study findings were translated into talent management models and a blueprint for use by international human resource professionals.

Based on these findings, organizations are recommended to design an offshore talent management approach that is aligned with the organization's global strategy, national governments and cultures within which it operates, its local strategy, and business and talent demands. Suggestions for researchers include (a) researching the job analysis and design process based on level, position, and roles; (b) testing the talent management models and the blueprint for their accuracy and applicability; and (c) continue examining offshore human resources strategies, as offshoring and globalization continues to expand.

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Chapter 1

Introduction

Companies are increasingly experiencing the pressures of accelerated change, increased demand, and increased competition—not only from businesses down the street, but also from businesses around the world (Randolph, 2006). With the multilateral free trade network expanding from 23 countries in 1945 to 149 in 2006, global competition has become the reality for companies that may have once enjoyed the advantages of regional market dominance resulting from geographic distance. As a result, globalization is rapidly becoming the normal way of doing business for many companies.

Changes in the way business is conducted has compelled organizations to find new ways to create competitive advantages. Many organizations are finding at least part of the solution in reducing their payroll expenses through offshoring (Bardhan, 2009; Dunning, 1993; Lee, 1986; Miller, 2007; Schramm, 2004; Vernon, 1966). Dossani and Kenney (2007) concluded based on their study of globalizing organizations that "in less than six years, offshoring of services has evolved from an exotic and risky strategy to a routine business decision" (p. 779).

As jobs move overseas, the tasks facing human resources (HR) professionals undergo substantial changes as well. Specifically, the management of talent, recruiting and retention practices, the analysis and design of jobs, and training and development all need to be revisited and revised for a global workforce. HR strategy also needs to incorporate the considerations and management of globally distributed workers (Davis-Blake & Broschak, 2009; Ingham, 2008).

Purpose of the Study

The purpose of this study was to examine HR strategies relative to offshore talent in multinational organizations. The goal of this research was to provide guidance to organizations that are offshoring their operations. Four research questions were posed:

1. What key talent management issues arise while offshoring operations?

2. What recruiting and retention practices are common within the offshore operations of multinational organizations?

3. What job analysis and design processes are common within the offshore operations of multinational organizations?

4. What development practices are utilized within the offshore operations of multinational organizations?

In addition to answering the research questions, this study aimed to create HR strategy models for use by domestic organizations in the process of offshoring their operations. The models may serve as guidance for HR professionals working in an international capacity.

Significance of the Study

This study focuses on HR strategies in multinational organizations. For example, the study explored how globalization changed the analysis of job functions, HR professionals' views of the job analysis process, and the impact of key performance factors in organizations. The culmination of this study was the creation HR strategy models for use by HR professionals who are assisting in an offshoring effort. As a result, this study made a unique contribution to the existing

literature on offshore talent management and also offered tools for enhancing the practice of offshore talent management.

Summary

This chapter provided the background, purpose, and significance of the study. Chapter 2 provides an examination of literature relevant to this study. Specifically, multinational organizations, HR strategy, and offshore HR strategies are discussed.

Chapter 3 describes the methods used in this study. The research design is reviewed along with the a description of the procedures related to participants, confidentiality and consent, data collection, and data analysis.

Chapter 4 provides the results of the thematic analysis conducted on the study data. Chapter 5 concludes the study by providing a discussion of the results, including conclusions and illustrative models of the findings, practical recommendations, limitations of the study, and suggestions for additional research.

Chapter 2

Literature Review

The purpose of this study was to examine HR strategies relative to offshore talent in multinational organizations. The goal of this research was to provide guidance to organizations that are offshoring their operations.

Multinational Organizations

"Cross-border capital flows, immigration, offshoring, globally distributed manufacturing and a nearly unimpeded flow of information are producing a complex economic stew that is increasing opportunities abroad" (Randolph, 2006, p. 1). With the multilateral free trade network expanding from 23 countries in 1945 to 149 in 2006, global competition has become the reality for companies that once enjoyed advantages of regional market dominance resulting from geographic distance. As a result, globalization is rapidly becoming the normal way of doing business for many companies.

The Shift toward Offshoring

Changes in the way business is conducted has compelled organizations to find new ways to create competitive advantages. Because payroll comprises the majority of most organization's operating expenses (Schramm, 2004), looking for low-cost workers is a popular tactic organizations use to create advantage. These low labor costs often are found overseas; thus, organizations are increasingly turning toward offshoring. Schramm explained, "For businesses competing on cost in a knowledge-based economy, the extra 10 to 20% savings in labor costs that offshoring can offer is impossible to turn down, especially since they can be sure their competitors will not" (p. 2).

When structural costs (for rule compliance and employee benefits such as healthcare) are factored into the equation, the financial benefits of offshoring are even more compelling. Miller (2007) claimed that companies could achieve substantial cost savings of more than 50% and, thus, enhance their competitiveness by offshoring back-office functions and implementing process improvements as part of globalization initiatives. For example, Fortune 500 companies as a group could save more than $91 billion annually (about $182 million per company on average) by making these changes.

Further motivating and enabling globalization is the rapid and substantial innovations in telecommunications and digital technology in recent decades (Randolph, 2006). The inexpensive and real-time exchange of information means that work can be easily outsourced to those locations of the world where work can be accomplished most cost effectively. The result is the global redistribution of business functions as large parts of the business value chain are opened to outside contracting and global competition. While offshoring of blue-collar jobs in manufacturing has been occurring for some time (Bardhan, 2009; Dunning, 1993; Lee, 1986; Vernon, 1966), recent years have witnessed the offshoring of a substantial number of white-collar jobs in information and communications technology positions, including back office work processes, call center operations, medical transcription, accounting, legal research, and radiology jobs (Bardhan, 2009). Dossani and Kenney (2007) concluded based on their study of globalizing organizations that "in less than six years, offshoring of services has evolved from an exotic and risky strategy to a routine business decision" (p. 779).

The global redistribution of functions has led to dramatic shifts in the

economic base of the United States and other developed countries, from being

manufacturing-based to being service-based (Randolph, 2006). Randolph

pointed out that although this shift largely started in the 1990s,

> from 2000-2003, 312,000 California manufacturing jobs
> disappeared, 17% of its base; the U.S. as a whole lost 16% of its
> manufacturing jobs in the same period. . . . In the same period,
> more than 20 million factory jobs have disappeared globally: Japan
> has lost 16% of its manufacturing base, Brazil 20%, and China 15%
> (despite booming foreign investment in Chinese manufacturing
> operations). (p. 2)

As jobs move overseas, the tasks facing HR professionals undergo

substantial changes as well. A key area relevant to the redistribution of functions

is how talent will be managed. Although talent management has various

definitions (Woollard, 2010), the definition relevant to the present study refers to

the HR activities of recruiting, training and development, performance

management, succession planning, workforce planning, and compensation,

consistent with the findings of a Bersin & Associates survey on talent

management (as cited in Ingham, 2008). Combined with the tasks of job analysis

and design, another integral part of any offshoring effort (Davis-Blake &

Broschak, 2009), these combined activities fall under the umbrella of HR

strategy.

The Role of HR

HR professionals play a critical role in helping organizations achieve the

financial and strategic goals that inspired their move toward offshoring (Kuruvilla

& Ranganathan, 2010). A key strategic contribution from HR relative to offshoring

is determining to what extent the advantages created through low labor costs

overseas will be offset by other costs, such as structural costs and training and skills development (Schramm, 2004). Providing these insights requires knowledge of the local labor pool and education systems.

Additionally, HR professionals must partner with business leaders to carefully analyze each job and its role in the organization and then determine which of these will be offshored, integrated, and transformed (Kuruvilla & Ranganathan, 2010). For example, organization leaders may opt to keep its high-skilled jobs in the United States while offshoring other low-skilled jobs.

A staged approach to offshoring then needs to be implemented and an ongoing global HR strategy needs to be maintained to support the acquisition, development, and retention of the talent needed to effectively and efficiently carry out the organization's work (Kuruvilla & Ranganathan, 2010). These tasks are further complicated by national and cultural differences concerning immigration laws, use of advanced technology and virtual teaming, labor market conditions, cultural norms, and consumer demands. All these factors conspire to demand a diversified approach to workplace and talent management.

Cultural awareness and its intersection with organization culture are particularly critical to offshoring endeavors. These are necessary to assure that the organization's work practices are designed to avoid cultural affronts and to encourage high productivity. Globalization has prompted corporations to operate as one global organization as opposed to individual operation units, and this requires cultural awareness and synergy to be embedded in the organization's business strategy. Adler and Bartholomew (1992b) defined *cultural synergy* as

the genuine belief that more creative and effective ways of managing people could be developed as a result of cross-cultural learning" (p. 57).

Adler and Bartholomew (1992b) illustrated the impact that globalization has on the manager's job and the competencies required of the manager. They distinguished managers who operate within a multinational environment (*transnational managers*) from traditional international managers (expatriates focused on managing their own location). They explained that transnational managers require cultural adaptability and awareness and, thus, a broader range of skills than traditional international managers. Transnational managers must understand the business environment from global perspective rather than be focused on a single country or headquarters. Transnational managers must be competent in working with people from many cultures and must be able to adapt to living in other cultures.

It is important to note that each shift required of the individual manager or employee in the organization requires even more substantial shifts for HR professionals, as they now need to modify their entire HR strategy and talent management process to assure that they are attracting, recruiting, developing, and retaining the kinds of people needed for the multinational company and offshore operations. Further, HR must assure that its strategy is aligned both the organization and with the local culture and customs.

Therefore, the task of offshoring operations extends far beyond simply hiring cheaper overseas labor to carry out business tasks. The next section examines HR strategy and its various components in more depth.

HR Strategy

Wright (2008) defined HR strategy as "a system of HR practices for a particular job or collection of jobs aimed at the best employee performance possible to meet the firm's ultimate goals" (p. 3). He emphasized that HR strategy refers to a *system* because it is comprised of a broad array of practices that impact employee performance, rather than simply individual tests, recruiting or interview techniques, or similar discrete tasks.

Furthermore, HR strategies are designed and implemented with a specific job or set of jobs in mind. For example, front-line and clerical workers generally are managed differently than managers and senior-level leaders are. It follows that despite the consistency of a common organizational vision, the various aspects of the HR strategy need to be tailored to the appropriate population. For example, a company focused on customer service may build customer service skills and behaviors across all customer-oriented jobs; however, the specific approach to recruiting, training, and compensating a cashier will be different from those of a store manager (Wright, 2008).

HR strategies that are effective achieve the outcome of getting the best performance from employees. Wright (2008) defined this as getting employees to "*have* something (skills, competencies, abilities); *feel* something (commitment, engagement, motivation); [and] *do* something (come to work, be productive, serve customers, stay with the organization)" (p. 4). Blending this definition with talent management concerns (Ingham, 2008), the components that need to be addressed as part of developing an HR strategy include recruitment and

retention, job analysis and design, and development. The following sections describe these components in more detail.

Recruitment and Retention

Recruiting refers to filling an organization's open positions with employees who have the requisite skills. While this may sound straightforward, recruiting the right people for the position and the organization requires a careful and often meticulous screening process (Libes, 1996; Taylor & Kleiner, 2000; Wang & Kleiner, 2000). Despite the capital and time needed for such a process, "the cost of going through these processes up front is minuscule when compared to such things as firing someone, paying unemployment benefits, [or dealing with] lawsuits" (Taylor & Kleiner, 2000, p. 10).

Recruiting typically begins with creating a complete and accurate job description, which outlines the attributes, qualifications, and experience candidates need for the position (Libes, 1996; Taylor & Kleiner, 2000). Searching for candidates then ensues. Common approaches include advertising openings, finding candidates through one's personal and professional networks, using internal or external recruiters, and finding candidates through online resume banks (Libes, 1996; Mooney, 2002; Taylor & Kleiner, 2000; Wang & Kleiner, 2000). While these approaches may generate a large pool of candidates, these candidates still may or may not be right for the position (Libes, 1996). Therefore, the next step is thorough screening (Wang & Kleiner, 2000), which may include psychometric tests, aptitude tests, job reviews (Adler & Bartholomew, 1992b), and in-depth interviews (Wang & Kleiner, 2000). After a hiring decision is made, a final detailed background investigation may be conducted, which could include

checking the candidate's criminal history; verifying his or her social security number, identification, driver's license, education, employment, and any professional licenses; checking his or her personal credit history; reviewing his or her military discharge records; and conducting drug testing. Once the candidate passes the background screening, he or she typically is hired.

Retention refers to employees staying with the organization for extended periods of time. This is important for several strategic, financial, and performance reasons. First, an organization's people are a key source of sustainable competitive advantage (Thurow, 1996; Michaels, Handfield-Jones, & Axelrod, 2001b). It follows that organizations do not want to lose this advantage. Second, the direct and indirect costs to replace a worker are estimated to total 150% of that person's salary and the costs to replace a manager or executive are double his or her annual salary (Groden, 2007). For example, an employee whose annual wage is $50,000 would cost $75,000 to replace. A manager who makes $120,000 would cost $240,000 to replace. Clearly, these costs quickly add up and could erode any advantages attained through offshoring. Third, the loss of every employee imposes organizational memory loss, as that person leaves with his or her tacit knowledge about the work and how to perform it effectively and efficiently. Further, organizational performance generally is degraded as long as that person's position remains vacant.

Factors that promote retention include the worker's internal commitment to the organization, the organization's people and culture (e.g., having fun and being part of a team), nature of the position (e.g., autonomy and challenge), development (e.g., training and promotions), and rewards and compensation

(Kaye & Jordan-Evans, 2002; Kiger, 2000; Kouzes & Posner, 2002; Salopek, 2000). Importantly, while compensation is often ranked low as a retention factor (Michaels, Handfield-Jones, and Axelrod, 2001a), retention bonuses and innovative fringe benefits have been credited with keeping talented employees with their organizations during highly competitive labor markets such as during the dot-com boom (Levine, 2000; Salopek, 2000).

Conversely, factors that erode retention include great inequity between managerial and employee pay, caustic management styles, absence of a clear career path, tolerating mediocre performance, and breaking promises made to employees (Ashby & Pell, 2001). In particular, Michaels et al. (2001b) found that 57% of managers who intended to leave their current employers cited insufficient development and learning opportunities as a critical or very important reason for leaving, while 69% cited insufficient career advancement opportunities.

Job Analysis and Design

Job analysis refers to gathering, analyzing, and synthesizing information about a job, including examining the roles and responsibilities involved in a position as well as the human performance factors (e.g., knowledge, skills, abilities) needed to carry out the work effectively (Pritchard, 2001). Pritchard explained that job analysis provides helpful input for designing jobs and roles; determining appropriate compensation for positions; recruiting, developing, and evaluating employees; assuring compliance with legal requirements; HR planning (e.g., skill inventories and supply and demand forecasting); managing work and determining outsourcing needs; and organization design. The focus (work-oriented or worker-oriented) and form of the analysis varies based on the

ultimate purpose of the analysis. For example, doing a job analysis for the purpose of determining staffing needs might focus on the functions, duties, and tasks being carried out in each role or, conversely, the behaviors from which to derive the qualifications required for successful job performance. Another example would be conducting a job analysis to determine the competencies required for specific blue-collar jobs. In this instance, the effort would include a detailed task analysis using data gathered through work log review, observation of work performance, and interviews with workers. Despite the variances in the purpose of job analysis, Pritchard explained that any job analysis consists of seven core steps, many of which are consistent with a project approach for other types of tasks:

1. Confirm project purpose. Like any project, the first step of job analysis is to clarify and confirm the purpose of the project, assure leadership support, and clarify the intended use (e.g., job evaluation, job design, recruiting) of the information.

2. Identify what information is needed. For example, do the knowledge, skills, and abilities for a particular job need to be defined?

3. Determine the methods and sources of data. For example, information could be drawn from the existing job description, observation, or interviews with workers.

4. Launch the project. With the planning steps complete, the project should be announced and communication should be established and maintained with key informants.

5. Gather data. The data collection plan should be carried out by following the defined plans regarding the methods and sources of data. Once collected, the data should be analyzed and synthesized. Additionally, it is critical to confirm the accuracy and adequacy of the data as it is collected and analyzed. One way to do so is to confirm the findings with other knowledgeable resources.

6. Report and document results. Once the data are collected and analyzed, the results should be documented in the form specified at the outset. For example, the results might be published as job descriptions, business process designs, or plans for a recruiting effort.

7. Conduct a post-project assessment. Pritchard advised conducting a project review as a final step to determine what went well, what did not go well, and what best practices could be gleaned from the effort. This step is a popular project management practice and is not unique to job analysis.

Job analysis yields several important benefits for organizations (Pritchard, 2001). First, the results can develop and validate essential selection criteria for specific jobs and occupations. Effective job analysis also can ensure that the selection criteria are legal and consistent with HR best practices concerning selection. A third benefit is that job analysis can help identify or avoid unplanned redundancies across the organization, as well as assure that specific features of work are designed into the job (e.g., autonomy, job enlargement, empowerment, relationship building). A fourth benefit is confirming that compensation models for the positions are accurate and competitive with the market. Given these benefits, it follows that effective job design can "help reduce personnel costs, streamline work processes, increase productivity and employee empowerment, enhance job

satisfaction and provide greater scheduling flexibility for the employee" (p. 3).

These benefits reveal why job analysis and design is a central part of an effective

offshoring effort.

Wright (2008) added that for job analysis and design to be effective, they

must flow from the larger HR strategy (and this strategy flows from the overall

organization strategy). For example, an organization that has a cost leadership

strategy (e.g., Wal-Mart) likely would have what Wright called a *control HR*

strategy, which involves narrowly defined jobs, low employee participation (e.g.,

in decision-making), low skill requirements, intense supervision or control, limited

training, low wages, and low benefits. The job design would, thus, align with

these characteristics. In contrast, an organization with a differentiation strategy,

(e.g., Coca-Cola) likely would have a *commitment HR strategy*, which involves

broadly defined tasks, high levels of employee participation, highly skilled

workers, extensive training, high wages, and high benefits. The jobs in this kind

of organization would align with these characteristics and dramatically differ from

those in an organization with the control HR strategy.

Development

Development refers to employee training, performance management, and

career paths. Training involves helping employees gain needed knowledge,

skills, and abilities to effectively perform their jobs and feel comfortable with their

new responsibilities (Levine, 2000; Wright, 2008). Training generally is

administered on the job, in the classroom, and online. Training, along with other

factors such as rewards and career development, "shapes workers' perceptions

of the company's fairness and desirability. And those perceptions then influence

their commitment, motivation and engagement" (Wright, 2008, p. 6). Thus,

training plays a role in recruitment and retention of employees. Training should

be designed and delivered in alignment with the overall organization strategy, HR

strategy, and the specifics of the role at hand. Thus, training also is linked with

job design and overall HR planning. While planning training for specific roles, it is

important to consider skills inventories, career pathing, and succession planning

concerns. Furthermore, while employee training helps increase workers' skills

and potentially improve their attitudes, it is important to be aware that more is not

always better. Each day of training costs impose both direct costs (e.g., for travel,

accommodations, meals, and trainer fees) and indirect costs (e.g., lost work time);

therefore, careful consideration should be given to the costs versus the benefits

of any training program.

Performance management focuses on optimizing employee and

organizational productivity through a goal-oriented process of defining

performance standards, designing incentives, and evaluating employee

performance (Mondy, 2012). Due to its aim of measuring and improving the value

of the workforce, it is a strong contributor toward fulfilling the organization's

strategy. Performance management differs from but is closely linked to training,

which works to equip employees with needed knowledge, skills, and abilities, and

performance appraisal, which aims to measure the employee's abilities. In

contrast to these approaches, which occur at specific points in time, performance

management is a dynamic, ongoing, and continuous process. Robert J. Greene,

chief executive officer of Reward Systems Inc., urged that organizations integrate

the company's mission, vision, and values into their performance management systems (as cited by Mondy, 2012).

Career path refers to the possibilities for advancement that a worker has in an organization. Career development and advancement has been identified as both a retention factor and a key reason why people leave their organizations (Michaels et al., 2001b). In Michaels et al.'s study, 69% of managers surveyed cited insufficient career advancement opportunities as their reason for leaving. Additionally, 54% of corporate officers said their inability to develop their people into great executives represented a substantial obstacle to strengthening their talent pool. Michaels et al. emphasized that development needs to be seen as a tool for motivating, retaining, and supporting the success of valued employees (in contrast to the traditional view of development being a means for boosting poor performance). Career pathing and career development help employees grow and feel challenged beyond their current roles.

This section has reviewed the concepts related to HR strategy. The next section considers these HR strategies in light of offshoring operations.

Offshore HR Strategies

HR strategies have been credited with helping organizations enhance their performance and productivity as well as fulfill their strategic objectives (Wright, 2008). As businesses globalize, unique issues and dynamics arise, requiring attention to and modification of the HR strategy so that the organization's HR policies and structures support globalization. For example, hiring employee groups from around the world introduces multiculturalism in the workplace. This, in turn, requires understanding of multicultural factors and consequent alteration

of HR strategies to continue to support organizational productivity and to fit the values and behaviors characteristic of each country.

One issue to be aware of when offshoring is the nature of the national economy regarding market and labor regulations (Holman, Blatt, & Holtgrewe, 2007). Holman et al. identified two types of economies: *liberal* and *coordinated*. Liberal economies are those considered to have more relaxed market regulations and less influential labor market institutions. Liberal economies exist in Canada, Ireland, the United Kingdom, and the United States. Coordinated economies (e.g., such as those in Austria, Denmark, France, Germany, Israel, Netherlands, Spain, and Sweden) have strong labor market regulations and influential labor market institutions. These regulations along with other factors influence conditions such as job discretion, labor costs, structural costs, and compensation trends that affect the way employees are recruited, retained, and developed, as well as what the jobs are that they perform. The following sections explore various ways that recruitment and retention, job analysis and design, and development are adapted for offshore employees.

Recruitment and Retention

In the case of recruiting offshore employees, making effective decisions requires organizations to consider their business needs and the availability of candidates worldwide (Holman et al., 2007). Holman et al. emphasized that offshore recruiting decisions must achieve three main objectives. First, the recruiting function must strive to enhance global integration and coordination by using world-class recruiting standards when selecting for key positions. Second, the recruiting function must improve local responsiveness by assuring that

companies hire people (locally and globally) with an inclusive and sophisticated understanding of each of the countries in operation. Third, the recruiting function must support individual and organizational learning by selecting candidates who can create cultural synergy and simultaneously work with and learn from colleagues across the globe.

Like recruiting, retention practices also vary when applied to workforces around the world. For example, Holman et al. (2007) found in their study of call center companies that non-standard work arrangements (e.g., hiring temporary and part-time workers) were common in coordinated economies. It appears that organizations in these countries chose this arrangement as a reaction to restrictive employment protection laws that make it difficult to fire permanent employees in these environments. At the same time, turnover is higher among call centers in coordinated economies (median = 25%) versus call centers in liberal economies (median = 15%). For example, call centers in India, a coordinated economy, report an average of 40% turnover. In India and other similar countries, retention may be particularly challenging given the constraints of government regulations.

Job Analysis and Design

Several regulatory and cultural factors result in different job designs around the world. For example, coordinated economies tend to feature better quality jobs (and consequently lower turnover and lower wage dispersion) than liberal economies and recently industrialized ones, where labor market regulations and unions are weaker.

Job discretion, the number of choices an employee has when doing job tasks, similarly varies based on the type of economy (Holman et al., 2007). Liberal market economies (e.g., the United States) have a much larger share of jobs with low discretion—an average of 51% of jobs are low discretion compared to only 30% in coordinated countries. Holman et al. explained that the stringent labor laws of a coordinated country also provide restrictive employment protection laws that give more independence to employees. Job discretion is believed to have a direct impact on individual and group morale, the pace of work, work methods and procedures, opportunities for advancement, and overall diversity of job skills and experience across the group or department.

Socioeconomic factors and the prevailing skills and competencies in a community or region strongly influence the nature of the jobs that should be offshored there. For example, the Chinese workforce is considered to be a strong match for blue collar manufacturing jobs, as they seem to be a natural employment transition from peasantry and skilled labor (Bardhan, 2009). Another example is India, whose workforce has been sought after for technology and call center work, due to workers' focus on technical education and their bilingual competencies (Holman et al., 2007).

Development

Developing and training offshore workers focuses on cultivating the knowledge, skills, and abilities workers need to effectively carry out the work, similar to any other training effort (Levine, 2000; Wright, 2008). However, incorporating an offshore workforce introduces additional training needs for both the offshore and the national workforces. Offshoring low-skill jobs frees up large

numbers of national workers to focus on more strategic, creative, and knowledge-intensive work, while giving offshore workers the opportunity for innovation and development. These shifts create demand for training. Additionally, a global mindset needs to be instilled among both national and offshore workers to facilitate their effective integration and collaboration (Rowden, 2002).

Managers also need to be equipped to manage with cultural adaptability and sensitivity. Adler and Bartholomew (1992a) emphasized that transnational managers need to have experiences both on the job and in formal training situations that prepare them to work anywhere in the world with people from all parts of the world. Further, even the training programs need to be planned and delivered by multinational teams and offered to multinational participants. This encourages representation and allows opportunity to further connect employees of differing backgrounds and cultures. These aims are further supported by having the training center in a neutral or international location to minimize the possibility of headquarter dominance.

Other considerations that need to be factored into development for multinational organizations that are offshoring their operations include learning styles and preferred management approach for each cultural group. It also is important to consider the time required for training within each population. For example, in labor markets where formal educational attainment is low, more training may be needed (Holman et al., 2007).

Beyond training and development, performance management systems also often need to be adapted for offshore audiences. In particular, factors that

contribute to high performance will vary within cultures (Mondy, 2012). For example, while United States workers often look for job enrichment and career growth opportunities, other nations or cultures may look for compensation or flexibility as a motivating factor for high performance.

Finally, multinational organizations need to develop career path opportunities and organizational incentives that are accessible and attainable to all employees globally if they hope to attract, retain, and reap the full benefits of their global workforce (Holman et al., 2007). For example, it is essential to ensure that a glass ceiling is not created beyond which only members of headquarters can be promoted and be successful.

Summary

HR professionals play a critical role in helping organizations achieve the stated financial and strategic aims driving an offshoring effort (Kuruvilla & Ranganathan, 2010). From initially determining the expected cost advantages of the effort to designing recruitment and retention strategies, specific jobs, and development plans for the global workforce, HR professionals are involved in offshoring every step of the way. While a substantial amount of literature has been published about offshoring and related HR practices, no unified set of models or processes were found to help guide HR professionals in their day-to-day work supporting an offshoring effort. This study aimed to create a series of helpful models based on empirical data gathered from HR professionals who have worked on these efforts. The next chapter describes the methods used to carry out this study.

Chapter 3

Methods

The purpose of this study was to examine HR strategies relative to offshore talent in multinational organizations. The goal of this research was to provide guidance to organizations that are offshoring their operations. Four research questions were posed:

1. What key talent management issues arise while offshoring operations?

2. What recruiting and retention practices are common within the offshore operations of multinational organizations?

3. What job analysis and design processes are common within the offshore operations of multinational organizations?

4. What development practices are utilized within the offshore operations of multinational organizations?

This chapter describes the methods used in this study. The following sections discuss the research design, participants, confidentiality and consent procedures, data collection, and data analysis procedures.

Research Design

This study utilized a qualitative research interview design to collect and analyze data. Qualitative research focuses on generating a depth of understanding of a relatively small number of cases (Miles & Huberman, 1994). The potential benefit of these types of studies is revealing the deep complexity of the topic being studied (Marshall & Rossman, 2010; Miles & Huberman, 1994). Qualitative research is appropriate when understanding of the research topic is limited.

Participants

Study samples typically are small in qualitative studies because these types of studies focus on generating a depth of understanding and often generate large volumes of data. Kvale (1996) advised that interview studies draw a participant group of 5 to 25 participants, depending upon the nature and depth of the interviews. The sample size for this study was seven, which was believed to allow data saturation without generating an overwhelming amount of data.

Qualitative studies draw purposive samples, meaning that participant recruitment is intentional (rather than random) to assure that the participants who are selected are able to provide rich data that is relevant to the study (Miles & Huberman, 1994). Therefore, selection criteria are defined to screen candidates and to ensure that they satisfy the needs of the study. Two selection criteria were defined for this study. First, the participant had to have expertise in international change management, HR management, international HR management, learning and development, global talent management, business process redesign, or organization development. The researcher assured that the sample as a whole possessed expertise in all these areas. Second, candidates had to have experience both in the United States and in global environments. These criteria were defined so participants would be able to share experiences relevant to job analysis and design within a multinational organization.

A convenience sampling strategy was used to identify study candidates (Miles & Huberman, 1994). To do so, the researcher created a list of all the individuals she knew from her professional network who met the selection criteria. All of these individuals were global business leaders or HR practitioners.

When the list was created, the researcher contacted each candidate by telephone or email. She shared the purpose of the study, the nature of participation, and the confidentiality and consent procedures. Those individuals who agreed were sent a consent form (see Appendix A) by email and were scheduled for a 1-hour telephone interview.

The participant group ultimately consisted of five HR professionals and two business process consultants. All individuals had domestic and international work experience.

Confidentiality and Consent Procedures

This study was conducted under the guidance of the Pepperdine University Institutional Review Board. The researcher also earned a certificate in designing and conducting ethical research. Participation in this study was voluntary and confidential. Anyone could drop out of the study at any time without risk. No identifying information was captured that would reveal the participants' or their organizations' identities. The risks and benefits associated with participating were identified and shared with the study participants. Signed consent forms (see Appendix A) were kept in a locked cabinet accessible only to the researcher. No study data were kept in hard copy form. Study data will be kept identified in electronic format for possible future use in research.

Data Collection

The interview script (see Appendix B) consisted of 19 questions organized into five categories: planning the offshoring effort, organization culture assessment and adaptation, performance management, recruiting, and development. The categories were as follows:

1. Planning the offshoring effort. Seven questions inquired about processes for planning the offshoring effort. Questions asked participants about offshoring models; key issues, changes, and challenges when globalizing an organization; location selection for global offices; key players and the role of headquarters and local offices; and metrics for gauging the success of the change. These questions generated data about the participants' basic orientation to and ideas about offshoring. These data also helped answer Research Question 1.

2. Organization culture assessment and adaptation. Three questions were used to inquire about participants' processes for dealing with organization culture in multinational organizations. Questions asked for participants' approaches to culture assessment, processes for cultural adaptation, and observations of Indian, Chinese, and South American cultures. These questions were created based on Adler and Bartholomew's (1992b) assertions regarding the powerful role of culture on offshoring efforts. India, China, and South American countries were focused on, in particular, as they are frequently selected for offshoring by United States companies (Bardhan, 2009). These data also helped answer Research Question 1.

3. Performance management. Two questions examined performance management within multinational organizations. Participants were asked to describe differences in performance management across global locations and whether performance management should be uniform or customized. These questions were asked because of integral role of performance management in organizational success (Mondy, 2012) and the need to adapt these systems to

the nuances and mores of global cultures (Wright, 2008). These data also helped

answer Research Question 4.

    4. Recruiting. Four questions examined sourcing within multinational

organizations. Participants were asked to describe processes for identifying and

procuring talent. They also were asked to evaluate local talent pools, describe

their practices for addressing skill deficiencies, and consider the role of

socioeconomics and immigration on the availability of talent. Holman et al. (2007)

emphasized that recruiting practices vary across the globe due to national

regulations and cultural group proclivities; therefore, it was important to gather

data about these factors. These data also helped answer Research Question 2.

    5. Development. Three questions examined learning and training within

multinational organizations. Participants were asked for other cultures' views of

adult learning, training practices across global locations, and views of uniform

versus customized training programs. Several authors emphasized that attitudes

and expectations about training, development, and career paths vary across the

global (Adler & Bartholomew, 1992a; Holman et al., 2007; Rowden, 2002).

Therefore, it was important to gather data about this aspect of HR strategy.

These data also helped answer Research Question 4.

    Eight interviews were conducted for approximately 45 minutes to 1 hour.

Interview notes were recorded by hand during the course of the interview and

then typewritten for later analysis.

Data Analysis Procedures

    Thematic analysis was used to examine the interview data and answer the

research questions for this study. Thematic analysis is frequently used to analyze

qualitative data across various fields, such as psychology, sociology, history, cultural anthropology, economics, and biology (Boyatzis, 1998). Thematic analysis was selected for this study because it allowed the researcher to identify the key salient ideas across the vast, complex topic of multinational talent management.

The researcher used a five-step process as described by Boyatzis (1998) to conduct the analysis. First, she created a set of typed interview notes organized by question to facilitate analysis. Second, she read and reread the notes to familiarize herself with the key ideas present in the data. Once she had gained a solid understanding of the data, she began the third step of identifying those key ideas. She identified the key ideas for each question.

The fourth step was reviewing the key ideas that were identified and grouping those key ideas that seemed to suggest the same general idea. The fifth and final step was reviewing each group of ideas and identifying a brief phrase (theme) to reflect all ideas in the group. Chapter 4 reports the key themes that resulted.

In chapter 5, these key themes are connected to past literature. Based on this study's findings and past literature, graphical models are presented to depict the overall process and series of steps involved in job analysis and design within multinational organizations.

Summary

This study utilized a qualitative research interviewing design. Seven international HR professionals and two international business process consultants were recruited into the study using a convenience sampling

approach. All individuals had domestic and international work experience. A one-on-one telephone interview was conducted with each participant using 19 questions organized into five categories: planning the offshoring effort, organization culture assessment and adaptation, performance management, recruiting, and development. Thematic analysis was used to examine the data. The next chapter reports the results.

Chapter 4

Results

This study examined HR strategies relative to offshore talent in multinational organizations. The aim was to provide guidance to organizations that are offshoring their operations. Interviews were conducted with seven global business process and HR professionals regarding five areas: planning the offshoring effort, organization culture assessment and adaptation, performance management, recruiting, and development. This chapter reports the results of the thematic analysis.

Analysis of the eight interviews revealed six key themes focused on the need for clear career paths and performance management (six participants), compensation as a key retention factor (six participants), the war for talent with national organizations (five participants), the need for training and development (five participants), the local focus on job titles (three participants), and reliance on local talent (two participants). These themes are discussed in the following sections.

Need for Clear Career Paths and Performance Management Process

A leading theme, cited by six of the eight interviewees, was the need for clear career paths and performance management process. Participants shared that their organizations were moving quickly to offshore or reassign jobs to offshore locations. One participant urged other professionals, "Don't underestimate the timeline of the change management process," meaning that the process can take more time and effort than originally anticipated. When the process is rushed, adverse impacts can follow.

For example, participants reflected that one negative impact of a fast offshoring process is lack of structure and clarity concerning employee development and advancement. One participant shared that in his or her company, "the hiring process in India moved so quickly, we didn't have a structure."

Participants expressed that upward mobility and career development is a common desire for offshore employees. One participant explained that his or her company's Indian workers "want to know how to be promoted." A participant from another company echoed this same sentiment by sharing "Promotions are critical, especially in China and India."

Nevertheless, participants shared that no career models were in place in their companies' offshore locations and no clear opportunities existed for growth and progression. The lack of a career path has diminished employee motivation and satisfaction and has resulted in higher attrition. As a result, participants emphasized that the job analysis process for global locations must consider employees' career paths and promotion. A participant explained that his or her company was "hiring more functional people. We need to build job titles and career paths." One participant commented that no career path was even specified in his or her company's India location. This participant shared, "we really needed a career path to help them progress."

Participants shared that the performance management process was not as robust in offshore locations, given that many of these organizations were focused simply on attracting, hiring, and training top talent. Career planning and performance feedback also often is lacking according to participants. One

participant shared that offshore employees in her company "want more feedback. They don't give live, in person feedback, they give feedback in emails."

Participants agreed that international HR managers need to increase their focus on performance management, specifically with regard to performance assessment, promotion criteria, and skills development. One participant pointed out that the process begins with "understanding the skills that are available in the location," while another advised HR professionals to "look at development planning process to address skill gaps."

Participants pointed out that the framework for an effective, robust, and structured process for performance management may be found in the company's headquarters or mature regions. Several participants emphasized that processes should be consistent across headquarters and the global locations:

> It is important for global locations to have the same model as the United States. Should have the same philosophy, but execution could be different.

> Performance management should be consistent. Competency, results, and objectives should be consistent. Should have consistent success factors across the company. All the systems and processes should be consistent if it is a global organization.

Another participant explained that the decision for consistency or diversity in processes should be determined based on the HR strategy of the organization:

> Know the principles and philosophy of your company's talent management. Do you anticipate talent to work in other locations? Do you want synergy across talent globally? These are the underlying questions you will need to understand when determining whether to have differing performance management approach and systems. If your talent is siloed (talent in the United States only works with talent in the United States), it is ok to have a separate performance management. In my company, locations share the talent pool very much. Global freedom drives the business. This

means centralized consistency is needed. It allows for greater efficiency and clarity.

In summary, participants emphasized that providing clear opportunities for professional and personal growth often leads to job satisfaction. This is applicable to all locations across headquarters and the company's global locations.

Compensation as a Key Retention Factor

Six participants expressed that compensation may be the largest motivating factor for offshore employees. One participant, who was employed by a large consulting firm, commented, "There is high competition between the Big 4" regarding compensation. Retention efforts related to top talent have focused on offering competitive compensation. Those organizations that fail to offer competitive wages in their market experience high turnover. One participant explained, "In China and India, employees are leaving for 50% compensation increases." In mature markets such as United States and the United Kingdom, employees leave for 10% to 15% increases in compensation. Some organizations have gone so far in compensation competition that they are offering higher compensation if an employee verifies their pay with a pay stub. One participant shared, "The approach is simply, 'Bring your pay stub and we will pay you more.'"

Compensation has become so competitive that some multinational organizations are losing their edge and have maximized their ability to provide increases comparable to their competitors. They have resorted to providing increases through their incentive program or other intangible incentives such as

vacation time or work life balance programs, but these intangible programs are showing to be unsuccessful. Employees are demanding increases in their base salaries as opposed to increases in bonus or other organizational programs.

Other organizations are taking a different approach and offering frequent increases in compensation such as 20-30% increases every 6 months. This has helped improve retention.

Still other organizations are employing the same compensation strategy worldwide. Consistency in some cases may be applicable, particularly if the job evaluation process shows similarity in job role, responsibilities, and career path. However, it is imperative that HR professionals remain current to the market trends relating to compensation. In many offshore locations, compensation is showing high volatility and is a key factor in employee motivation.

War for Talent with National Organizations

Participants shared their observations that globalization has enabled Chinese and Indian national companies to growing at a fast pace. These national organizations are operating in the same locations as the participants' companies and, thus, are competing for the same talent the multinationals want to hire. Often, this competition becomes a war. Five of the seven participants cited this theme.

In the past, Chinese and Indian employees were attracted to the multinationals for their global recognition, job security, and good working conditions. However, advancement sometimes was slow and difficult because decision-making was centralized in headquarters and employees needed to leave their countries to work at headquarters for period of time before moving up.

The growth of the national companies has given local employees clearer career paths and opportunities for faster advancement. This gives national organizations more leverage in attracting top talent. One participant explained,

> Before, in China and India, they wanted to work in a multinational company. Now Chinese and Indian national companies are growing. This is seen as an opportunity for more upward mobility versus having to work in headquarters before having upward mobility.

HR professionals also will need to consider the growth of local organizations and their job opportunities. They will need to find ways to create fewer barriers for upward mobility for offshore employees.

Need for Training and Development

Five of the eight interviewees also emphasized that the organization's training and development strategy must be well thought out and executed when transitioning a job into a multinational setting. In many of the company's offshore locations, training is robust. However, as offshoring processes become more advanced, training and development strategies need to be expanded to satisfy the business and talent demands.

Participants explained that the next phase for training and development is creating a global workforce that is innovative, forward thinking, and creative. They added that a classroom-training course couldn't suffice in developing these important competencies. One participant pointed out, "India is an academically focused society that strongly values quantitative skills and achievement. But some argue that an academically focus society like India may be limited in creative problem solving." This participant continued that as multinational organizations increasingly seek Indian workers for technical positions, this

quantitative focus will continue to be emphasized, possibly to the neglect of other competencies (e.g., soft skills). One participant believed the answer to this societal and talent development dilemma is to encourage open dialogue, feedback, and reflection in the workplace. However, as noted by a learning and development leader for a global government agency, organizations must be sensitive to the learning and cultural dynamics when developing and delivering a training and development strategy. She provided the example that in some African countries, men and women cannot be in the same classroom.

Local Focus on Job Titles

According to three participants, job titles and classification of titles is the focus of substantial discussion among International HR professionals. More than their Western counterparts, employees of global locations are focused on titles and levels within a hierarchical organization. For example, one participant emphasized, "Title is important, compensation is important—more so than scope of role or supervisors."

India is an example where there is great focus on job titles. One participant explained, "India is very titled focused. People have turned down positions because of job titles. We need to build job titles and career paths for the company." Another participant commented, "They want to know how to be promoted. They want prestige and title but they also want deeper meaning with jobs."

Participants elaborated that multinational organizations with operations in India have seen declines in job applications and job offer acceptance primarily because job titles do not meet the employees' expectations. Titles are so

embedded in the organization's culture that oftentimes; management will not receive responses from their subordinates unless they explicitly communicate their level.

Participants voiced differing opinions about whether an offshore location should have consistent job titles and classifications as headquarters. If the job evaluation process shows that the job will have the same competencies, career path and success factors, they recommended that the job title and classification remains consistent with headquarters' job titles. If there are vast differences when conducting a job evaluation, they advised having differing job titles that align the new competencies, career paths, and other factors.

Reliance on Local Talent

The final theme, voiced by two of the eight participants, is reliance on local talent in the offshore locations. Participants explained that due to the war for top global talent, sourcing has become a priority for many international HR managers. These interviewees described focusing heavily on recruiting and retaining local talent. They also reported relying on local hiring professionals to support these efforts.

One participant shared, "We recruit in the local area, even in management. Team is sourced and hired local for positions. We would bring in talent from other locations for development purposes." This participant added that the company's approach to hire from the local region might be a good strategy to show upward mobility and the organization's commitment to the local community. Notably, no participants in this study voiced sourcing local positions with expatriates.

Some participants also stated that their companies have outsourced the recruiting function to local staffing agencies. This approach can conserve precious bandwidth of the company's HR professionals as well as leverage local hiring professionals' knowledge of the labor market. A participant from a multinational accounting firm that uses this approach explained that the local staffing agencies have a deeper understanding of the hiring trends in the local market and can serve as an expert and partner to the international HR team.

Participants emphasized that the international hiring climate is competitive and fierce. As one global talent leader stated, "we are living in the dot.com era in China, India, and Russia. We are fiercely looking for talent and it's not enough to meet the competitiveness of the international job market."

Summary

The eight interviews with experts in learning and development, change management, business process operations, international HR and global talent management were robust discussions. The conversations broached the topics of globalization, culture, personal motivation, and the future of the workforce, ultimately pointing to six themes: the need for clear career paths and performance management, compensation as a key retention factor, the war for talent with national organizations, the need for training and development, the local focus on job titles, and reliance on local talent. As China and India are currently the most common locations for offshoring jobs, most of the data provided speaks to best practices in these locations. However, the same approach and methodology can be considered when approaching the job analysis process in any global location.

Chapter 5

Discussion

The purpose of this study was to examine HR strategies relative to offshore talent in multinational organizations. The goal of this research was to provide guidance to organizations that are offshoring their operations. Four research questions were posed:

1. What key talent management issues arise while offshoring operations?

2. What recruiting and retention practices are common within the offshore operations of multinational organizations?

3. What job analysis and design processes are common within the offshore operations of multinational organizations?

4. What development practices are utilized within the offshore operations of multinational organizations?

Conclusions

Conclusions were drawn for each research question. These are described in detail below.

Key Talent Management Issues

The study results suggested that multinational organizations and companies that are just beginning to offshore their operations are facing a war for talent in the global labor markets that is as fierce—if not fiercer—than the war for American talent discussed by Michaels et al. (2001b). Some have likened the current hiring climate in these global locations to America's dot com boom. According to participants, candidates in global locations no longer are wooed by multinationals' global recognition, job security, and good working conditions.

Now, they are looking for opportunities for upward mobility—preferably without leaving their home countries.

These results are consistent with past literature to some degree. Holman et al. (2007) urged organizations to eliminate any glass ceilings that preclude the advancement of offshore employees. Further, Michaels et al. (2001b) found that 69% of managers surveyed cited insufficient career advancement opportunities as their reason for leaving their organizations (although they did not focus on offshore workers). Aside from these sources, literature and research about a war for talent specific to offshore workers was not found. Therefore, this study contributed to the literature in this regard. Given these findings, it will be important for HR professionals to continue to examine and implement the factors that will attract the top talent in offshore locations. Additionally, it is critical to find ways to reduce or eliminate barriers for upward mobility for offshore employees.

Recruiting and Retention Practices

According to participants, recruiting and retention practices have taken center stage for international HR managers due to the war for top global talent. Participants described relying on the local talent in global locations and utilizing local hiring professionals to recruit this talent. The rationale for this approach, at least for one participant, was to demonstrate that local employees have opportunities for upward mobility and the organization is committed to the local community. One particular recruiting tool with offshore employees is compensation. Candidates in developing markets (e.g., China, India) are reported to experience 50% increases in compensation by switching employers, whereas candidates in mature markets (e.g., United States, Canada) are

reported to experience 10% to 15% increases by switching. Frequent compensation increases also have been used as a retention tool.

Similarly, past literature emphasized that factors that promote retention include, among other things, development (e.g., training and promotions) and rewards and compensation (Kaye & Jordan-Evans, 2002; Kiger, 2000; Kouzes & Posner, 2002; Salopek, 2000). Importantly, these authors were not solely discussing offshore populations. Continuing to research recruiting and retention practices specific to offshore employees remains a valuable direction for additional research.

Given these findings, it appears that work arrangements need to be tailored to the unique tastes of the workforce being managed. For example, participants shared that the work arrangements such as job sharing, telecommuting, and flexible time, which have been helpful retention tools in the United States (Holman et al., 2007) are not as strongly valued in other labor markets around the world. Consequently, Figure 1 depicts that work arrangements need to be customized and that, depending on their alignment with local talent preferences, these arrangements can give rise to productivity on one had and turnover on the other.
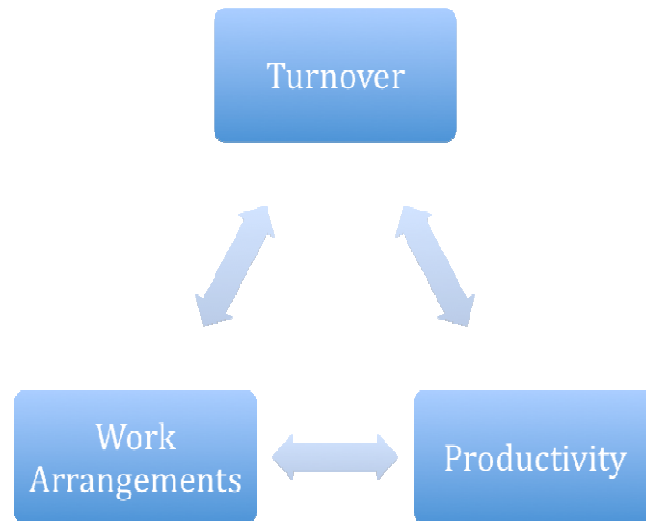
Figure 1

Influences on Productivity and Turnover

Job Analysis and Design Processes

The key finding of this study is that global talent bases strongly value job titles and achieving high levels in a hierarchical organization. People have turned down positions when the job titles are not compelling enough. Findings of this nature were not uncovered in past literature on offshore workers, although Holman et al. (2007) and Michaels et al. (2001b) emphasized the importance of employee advancement. Based on these collected findings, job design within multinational companies—and especially in offshore locations—should begin with consideration of the HR strategy. Within the context of the strategy, the specific job roles and responsibilities should be defined. Finally, these roles and responsibilities should be translated into specific job duties and functions. This process is depicted in Figure 2. Importantly, while the job design should flow from the HR strategy, the specific job titles and career paths may—but do not need to

be—consistent with headquarters. For example, while workers in India and China may prefer hierarchical structures and advancement, workers in Western workplaces tend to prefer flatter organizations (Holman et al., 2007). These differences lead, in turn, to different types of positions and career development trajectories.

Figure 2

Job Design Model

In addition to designing jobs within the context of the organization's HR strategy, the design process needs to be designed with the social context of the larger culture (see Figure 3). This means taking into account socioeconomic factors (e.g., community areas of strength, cultural practices concerning formal education) as well as the competencies and skills available in the local labor pool. For example, participants mentioned that the Indian workforce has been relied upon for technical competencies. A potential side effect of this is the neglect of soft skills or creativity in the workforce. Therefore, jobs that require high levels of creativity may not be appropriate for this location, unless these competencies are fortified first. As this example shows, socioeconomic factors as

well as worker competencies and skills dramatically affect the jobs that are appropriate and could be filled for the location.

Figure 3

Social Context for Job Design

Job design also must occur within the financial and operational context specific to the organization and the global location being considered (see Figure 4). One aspect of this context is job discretion, which refers to the amount of autonomy and independent decision-making employees can make. Accepted levels of job discretion are influenced by national culture, the available workforce, and company practices. Importantly, as job discretion decreases, costs in terms of supervision and developing structured business processes increase. Another aspect is comprised of labor costs (worker salaries). Finally, structural costs refer to the costs associated with employee benefits, labor compliance, and government regulations. Together, these factors influence the costs associated

with offshoring jobs. These costs should be evaluated when selecting an
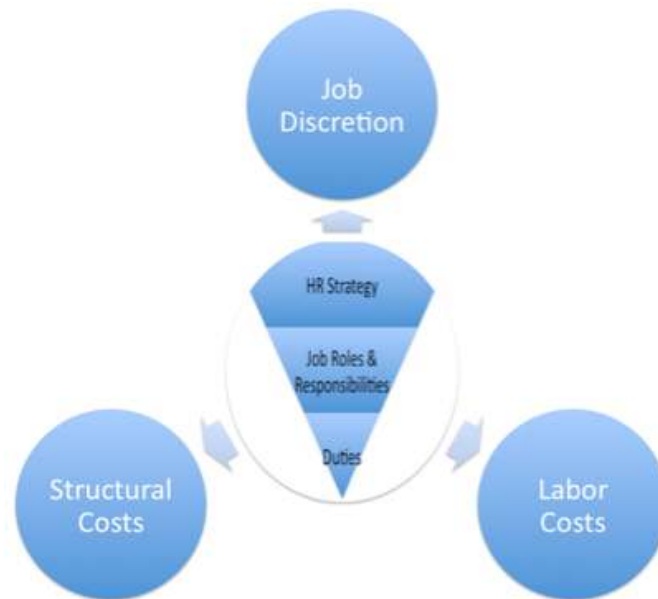
offshoring location.

Figure 4

Social Context for Job Design

Finally, Figure 5 provides a reminder that offshoring and effective talent

management in the global locations requires strong alignment between the

organization's global strategy, organization culture, and local strategy (e.g., the

organization's China strategy, India strategy, or South America strategy).

Alignment across these areas assures that the organization is heading in a

uniform direction and that local operations are helping to reinforce the overall

organization's culture and helping to advance the organization's global strategy.

Finally, undergirding all of these areas is cross-cultural learning, which refers to

strategy and cross-cultural leadership, which refers to setting an organization-

wide direction and adapting leadership so that is effective across the various cultures in which the organization operates.

Figure 5

Designing Local Job Strategy

Development Practices

Study findings revealed that the participants' organizations engaged in a rapid offshoring process and this often led to unclear career paths for local talent. The lack of a career path negatively affects worker morale, motivation, satisfaction, and retention because the offshore employees are reported to value advancement, promotions, and clear career paths. While the past literature on offshoring did not specifically discuss rapid offshoring efforts or the lack of career paths, some authors did emphasize the importance of career advancement for offshore employees (Holman et al., 2007; Michaels et al., 2001b).

Given these findings, the job analysis process for global locations must consider employees' career paths and promotion. Plans implemented at

headquarters might provide a suitable template; however, the approach does not necessarily have to be consistent. Regardless of the specific approach used, it should incorporate career planning, performance assessment and feedback, promotion criteria, and solid opportunities for training and skill development. Training and performance management also need to be aligned and continually updated based on the business and talent demands. Figure 6 presents one model for performance management, wherein development planning, performance reviews, and employee feedback is used as tools for coaching and career development.

Figure 6

Performance Management Model

Synthesis

Figure 7 presents a blueprint that synthesizes the findings of this study and which could be used by HR professionals to guide their talent management

approach in offshore locations. Importantly, the organization's overall strategy

drives the specific designs and approaches for talent management. Strategy is

influenced by and comprised of factors such as organizational goals, HR

benchmarking and performance expectations, and organization culture.

Figure 7

Blueprint for Offshore Talent Management

A second level of offshore talent management is comprised of worker

capabilities, meaning the competencies, skills, and motivational factors that are

relevant to offshore workers. These factors represent the raw human capital

resources that are available to carry out the work of the organization.

The third level of offshore talent management is comprised of actually executing the offshoring process and launching operations in the offshore location(s). During this stage, global strategy is translated into a supportive local strategy, structural and labor costs are determined and incurred, the business process is developed for the location and any needed change is managed and carried out.

Recommendations

The overarching recommendation emerging from this study is that multinational organizations need to take a thoughtful approach in their approach to offshore human capital. Strategies in offshore locations need to be aligned with global strategy, national governments and cultures, local strategy, and business and talent demands. For example, government regulations and laws can have a direct impact the relationship between the organization and local community. Organizations will need to closely observe the society changes within their global operations. This will impact employee motivation and work behaviors. HR leaders also will need to understand the specific needs, skills and cultural factors relevant to each offshore location and develop management strategies, benchmarks, and performance management practices that are aligned with the cultural dynamics. For example, they may need to create more opportunities for global work assignments and reduce the silos across global job functions.

Limitations

Two primary limitations affected this study. First, the sample size was quite small. As a result, the findings and conclusions represent the circumstances of the participants and may not be applicable to any other

multinational organization. While the lack of generalizability is endemic to qualitative research, the transferability could be better determined had the researcher composed detailed profiles of the participants involved in the study. Further, the transferability of these findings could be determined through follow-on research that tests the accuracy and applicability of these conclusions to other organizations.

Second, the researcher took handwritten interview notes rather than audio-recording the interviews and creating verbatim transcripts for each interview. The risk of handwritten notes is the possibility of data loss or distortion. As a result, the data included in the analysis may not have been complete and the conclusions, therefore, might not have been as rich as they could have been.

Suggestions for Additional Research

One suggestion for additional research is to examine the specific job analysis process as it varies by level, position, and roles in the organization. For example, the process of analyzing a managerial role may differ from the analysis process for a call center role.

Another suggestion is to test the models and the blueprint offered in this chapter for their accuracy and applicability. This could be accomplished by asking HR professionals to provide feedback on the models and blueprint, ask them to utilize them as guides in their work, and then solicit a second round of feedback. This research design could help validate and further enhance the models, which could further add to the literature and enhance the practice of offshore talent management.

A third suggestion is to continue examining offshore talent management, as offshoring is still a relatively new practice. Therefore, offshoring practices will continue to develop and shift with ongoing globalization of business and an increasingly globalized workforce. For example, compensation models and worker expectations will change as the global workforce become more experienced and sophisticated. National cultures and governments may continue to shift as globalization continues. All of these factors have strong influence on offshore talent management and their influence needs to be continually monitored for multinationals to take appropriate action.

Summary

This study examined offshore talent management in multinational organizations. The goal of this research was to provide guidance to organizations that are offshoring their operations.

Seven international HR professionals and two international business process consultants were recruited into the study using a convenience sampling approach. All individuals had domestic and international work experience. A one-on-one telephone interview was conducted with each participant using 19 questions organized into five categories: planning the offshoring effort, organization culture assessment and adaptation, performance management, recruiting, and development. Thematic analysis was used to examine the data.

This study found that multinational organizations are facing a fierce war for talent in offshore labor markets and talented candidates are demanding prestigious job titles, promotions and upward mobility, strong compensation, and

clear career paths. The study findings were translated into talent management

models and a blueprint for use by international HR professionals.

Based on these findings, organizations are recommended to design an

offshore talent management approach that is aligned with global strategy,

national governments and cultures, local strategy, and business and talent

demands. Suggestions for researchers include (a) researching the job analysis

and design process based on level, position, and roles; (b) testing the talent

management models and the blueprint for their accuracy and applicability; and

(c) continue examining offshore talent management, as offshoring and

globalization continues to expand.

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Appendix A

Consent Form

INFORMED CONSENT FOR PARTICIPATION IN RESEARCH ACTIVITIES

Participant: _____

Principal Investigator: Jessica Gomez
[contact information]

Title of Project: Study/Process Development—Redesign of job analysis in a global organization

I, agree to participate in the research study being conducted by Jessica Gomez under the direction of Dr. David Jamieson.

The overall purpose of this research is:
Develop a process for helping organizations who are transitioning a job or job group from a national role to a multinational role. The study will develop a blueprint for a standard job analysis process. A standard job analysis will include an analysis of the following human factors:

  i.   *Job/ Role Design*
  ii. *Job Evaluation*
  iii. *Employment*
  iv. *Performance Management*
  v.   *Training and Development*
  vi. *Human Resource; Business Planning*
  vii. *Work Management*
  viii. *Organizational Design/Behaviors*

This job analysis process developed in this study will be organized to address these human factors.

My participation will involve the following: As an expert in change management, talent management, business process improvement, global human resources and organization development professionals, I will provide my experience and insight by participating in a in person or telephonic interview with Jessica Gomez. Interview questions will be based on key trends and findings around the topics of globalization, job design, performance management, training and development and organizational behaviors.

My participation in the study will consist of an interview for 45 minutes to 1 hour as well as a follow up interview with Jessica Gomez, if necessary. The interview shall be conducted in person or by telephone.

I understand that the possible benefits to society or myself from this research are: Contributing to the application and approach of the job analysis process in a global environment. This study will provide International HR professionals, management and Organization Development professionals additional tools in transforming their organization into a multi-national organization. Additionally, this study will lend knowledge and best practices to the field of global management.

I understand that there are certain risks and discomforts that might be associated with this research. These risks include: Not applicable- NO risk to participants from this study.

I understand that my estimated expected recovery time after the experiment will be:
Not applicable—No recovery time or experiment required from participant.

I understand that I may choose not to participate in this research.

I understand that my participation is voluntary and that I may refuse to participate and/or withdraw my consent and discontinue participation in the project or activity at any time without penalty or loss of benefits to which I am otherwise entitled.

I understand that the investigator(s) will take all reasonable measures to protect the confidentiality of my records and my identity will not be revealed in any publication that may result from this project. The confidentiality of my records will be maintained in accordance with applicable state and federal laws. Under California law, there are exceptions to confidentiality, including suspicion that a child, elder, or dependent adult is being abused, or if an individual discloses an intent to harm him/herself or others. I understand there is a possibility that my medical record, including identifying information, may be inspected and/or photocopied by officials of the Food and Drug Administration or other federal or state government agencies during the ordinary course of carrying out their functions. If I participate in a sponsored research project, a representative of the sponsor may inspect my research records.

I understand that the investigator is willing to answer any inquiries I may have concerning the research herein described. I understand that I may contact Dr. David Jamieson at [contact information], if I have other questions or concerns about this research. If I have questions about my rights as a research participant, I understand that I can contact Dr. Yuying Tsong, Chairperson of the IRB, Pepperdine University, at [contact information].

I will be informed of any significant new findings developed during the course of my participation in this research, which may have a bearing on my willingness to continue in the study.

I understand that in the event of physical injury resulting from the research procedures in which I am to participate, no form of compensation is available. Medical treatment may be provided at my own expense or at the expense of my health care insurer which may or may not provide coverage. If I have questions, I should contact my insurer.

I understand to my satisfaction the information regarding participation in the research project.
All my questions have been answered to my satisfaction. I have received a copy of this informed consent form which I have read and understand. I hereby consent to participate in the research described above.

_____

Participant's Signature

_____

Date

_____

Witness

_____

Date

I have explained and defined in detail the research procedure in which the subject has consented to participate. Having explained this and answered any questions, I am cosigning this form and accepting this person's consent.

_____   _____

Principal Investigator   Date

Appendix B

Interview Guide

Thesis One on One Questions: Job Analysis process in a multi-national organization

Planning the offshoring effort
1. Offshore models—have you seen any that were successful, unsuccessful, poorly planned?
2. Who are the key players when you're moving an organization from a national to multi-national?
3. What changes do you see when an organization moves towards a multi-national focus? Challenges?
4. What factors are considered when determining location or region?
5. What is the level of contribution and control with headquarters versus multi-national locations?
6. What do you see as the key components that an organization or leadership team should focus on when globalizing a position or business unit?
7. How do organizations, HR benchmark the success of offshoring specific business units or function (standardize operations, metrics on turnover, succession management, productivity to create a common org culture)?

Organization Culture
1. What is your process in assessing an organization's culture?
2. How have you seen organizations or HR departments address working in differing cultures, locations? Work methods, paces, motivating factors?
3. India/China/South America (common off –shore locations)
   a. Key motivating factors
   b. Compensation—determining comp, reward strategy
   c. Job enrichment
   d. Leadership in comparison to the US
   e. Collaboration with US headquarters

Performance Management
1. How has the performance management process changed or what factors may differ in multi-national locations?
2. Do you recommend having one performance management process/approach across the organization or should it differ by location (performance assessment, promotion criteria, skills development)?

Recruiting
1. How have you seen organizations identify, source for talent?
2. Have you seen any disparity in skill sets, competencies in multi-national locations?
3. How have organizations been able to address skill deficiencies?
4. How has socio economics and immigration factor into available skill sets?

Development
1. The US views adult learning as application and understanding the big picture. This is also supplemented with training for application and theoretical approaches. How do you see the learning process in a multi-national setting? Unique approaches? Differences in learning curve, timeline?
2. Cross cultural learning—What have you seen training conducted for line managers and supervisors who work in multi-cultural environments?
3. What are you thoughts , point of view on centralized learning (e.g., learning development centers) versus delivery of training in various global locations?