

# Does International Assignment Matter?: Indonesian Women's Perception on Multi-national Companies' Attractiveness

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**Keyword:** International assignment, women's perception, multi-national attractiveness

**Abstract:** International assignment has been a popular global staffing activity in multi-national companies (MNCs) because of its numerous benefits. However, women's participation in international assignment is still low compared to men while actually women were found to have suitable eagerness, skills, and characteristics for international assignment. Besides, today's competition in acquiring qualified talent with global talent is fierce. Since international assignment contributes to organizational attractiveness, particularly in development value, MNC needs to deploy some strategies to promote the benefits of international assignment in order to distinct themselves from the competitors therefore build a bigger talent pool. Hence, this study aims to explore the role of international assignment and its branding practices on Indonesian women's perception towards MNC's attractiveness. The study was conducted with qualitative method using in-depth interview technique to 10 participants. It is found that international assignment is less significant factor of MNC's attractiveness compared to other factors, especially interest and economic value. This finding is also supported by MNC's lack of branding efforts in international assignment branding, family-related issues, and the time periode of the assignment.

## 1 INTRODUCTION

Globalization is widely considered as a major catalyst in the emergence and implementation of international assignment activity (Point and Dickmann, 2012). Expansion into growing foreign markets and international businesses also contributes to popularize international assignment activities because these companies are increasingly tied to global staffing activities (Collings, Scullion and Morley, 2007). The number of expatriates sent by companies grows higher and organizations increasingly see the value gained from international assignment, as evidenced by 89% of organizations planning to increase the number of their mobile workers in the next few years based on the PricewaterhouseCoopers survey (PricewaterhouseCooper, 2016). Despite the trend in the past few years that saw an increase in the number of woman assignees, this increase is stagnant at around 20% and still way lower than 80% of men percentage (PricewaterhouseCooper, 2015). McCutcheon and Morrison suggested that women experience work-life conflict greater than that of men because demands in the workplace have

a greater impact on women in balancing their roles at home and at work (McCutcheon and Morrison, 2017). In addition, decision makers in international assignment are mostly men which make their view in women clouded by traditional views and stereotypes (Stroh, Varma and Vally-Durbin, 2000). In fact, previous research said that women have the skills needed in international assignment such as the ability to build relationships and have suitable characteristics in cross-cultural situations such as empathy, more sensitivity, and interpersonal awareness (Guthrie, Ash and Stevens, 2003).

International assignment program is one of major components in employer attractiveness represented by development value dimension (Berthon, Ewing and Hah, 2005). Point and Dickmann suggested that implementing international assignment could boost employer attractiveness, thus attracting more candidates to join Multinational Companies (MNC) (Point and Dickmann, 2012). Unfortunately, there are not many companies who optimize the upsides gained from the activity in order to promote employer image to external parties. In fact, earlier studies emphasized the importance of being an employer of global choice for MNCs in order to

ensure the fulfillment of talent supply in accordance with needs (Scullion, Collings and Gunnigle, 2007).

Generation Y (Millennials) dominating today's employment market is a potential target for international assignment. Since most of them expressed their desire to work outside their home country and they believed that having an overseas assignment experience could help improve their careers (PricewaterhouseCooper, 2016). However, conditions in Indonesia can be different due to social and cultural factors. The level of female labor participation is still far below that of men, which is 50.8% (World Bank, 2018), while men are 81.6% (World Bank, 2018). Gender inequality rate in Indonesia is considerably high, ranking 105 out of 188 countries in Gender Inequality Index (United Nation Development Programme, 2018). In addition, women's empowerment in Asia Pacific region in general is still hindered by cultural norms, values, assumptions, and stereotypes about women that have firmly rooted in patriarchal and religious traditions (Tatli, Vassilopoulou, and Özbilgin, 2013). All of these conditions will be challenges and conditions for companies to carry out international assignment branding in Indonesia.

Based on the background above, this study will explore the role of international assignment on Indonesian women's perception towards MNCs' attractiveness.

## 2 LITERATURE REVIEW

### 2.1 International Assignment

International assignment is defined as employee transfer internationally within an MNC (Collings, Doherty, Luethy and Osborn, 2011); while expatriates or international assignee are the individual participating in international assignment (Tarique, Briscoe and Schuler, 2016). International assignment is considered as an activity that brings mutual benefit because it is beneficial for the success of the company and employees' career development (Dickmann and Doherty, 2008).

Research have identified three main objectives of international assignment, they are 1) position fillers: to fill in vacant positions within a company where the skills needed in that position are not available in host country 2) organizational development: as a form of organizational development program that is closely related to the objectives of control and coordination and 3) management development: as an instrument for managerial development that focuses

on developing skill sets from employees assigned abroad (Collings, Doherty, Luethy and Osborn, 2011). According to existing literature (Collings, Scullion and Morley, 2007; Dickmann and Doherty, 2008; PricewaterhouseCooper, 2010), broadly, expatriation or international assignment is divided into two, namely traditional international assignment or some would call it traditional expatriate assignment (Collings, Scullion and Morley, 2007), and nontraditional international assignment that are now popular.

### 2.2 Women and International Assignment

There is an ample number of studies discussing the cause of low women's participation in international assignment. The exclusion of women from the consideration of international assignment is not really a wise move since studies have shown that female expatriates have equal level of success with that of male expatriates in terms of the performance in international assignment (Cole and McNulty, 2011). In addition, in the case of international mobility, many studies and researchers have shown that women have desires that are as great as men and even in certain cases, women show greater desire (Stroh, Varma and Valy-Durbin, 2000). In addition, women are likely to have special abilities in managing internationally, including preferences for working together, the ability to reach consensus, and the ability to lead through an egalitarian team; the ability to work on multiple tasks simultaneously, emotional sensitivity, and verbal proficiency (Cole and McNulty, 2011).

### 2.3 International Assignment and Employer Attractiveness

To date, little is known about how international companies communicate the goals they want to achieve from implementing international assignments and what benefits employees can get (Point and Dickmann, 2012). This is supported by the results of the PricewaterhouseCooper survey which showed that more than 50% of global mobility leaders surveyed said that their organizations did not convey to their key talents regarding expectations of international assignments (PricewaterhouseCooper, 2016).

Because international assignment will be regarded as part of the factors contributing in developing employer attractiveness (Berthon, Ewing and Hah, 2005), the interest of prospective

employees to participate in international assignment is something that needs to be considered (Point and Dickmann, 2012). An explorative study has investigated the enthusiasm of college graduates in Europe to participate in international assignment (Taillieu, 1992). In addition, it was also examined the level of willingness of college graduates in Australia to work abroad (Tharenou, 2003). The role of international assignment is increasingly relevant for Generation Y since the majority of this generation want to work abroad (PricewaterhouseCooper, 2016).

### 3 RESEARCH METHODOLOGY

This study used qualitative method by collecting data with in-depth, semi-structured interview technique. Some criterias were applied for the participants: participants are Generation Y/ Millennials, that were born between 1980 and 1999; majoring in economics, business, or business administration (FIA); currently in their last semester of their study or already graduated and actively seeking for employment; and must have desires to work in MNCs. For participants from the company's HR, there were no specific criteria that needed to be met in addition to having extensive knowledge regarding international assignments at the company.

The interviews were conducted with 7 female students from the Faculty of Economics and Business (FEB), 2 people from the Faculty of Administrative Science (FIA) and 1 person from the HR department from MNC A. Gathering data both from employees as well as management (HR function) is required to satisfy data source triangulation as an effort to increase the research validity (Yazan, 2015). Also, since no additional data can be found among the FEB student participants, researcher moved to another group category (FIA student participants). This data collection method supports data saturation concept in qualitative research (Glaser and Strauss, 1967). Interviews were conducted for 30 minutes to 60 minutes. During each interview a voice recording has been obtained with full consent from the participants. The analysis process used the grounded theory, which allows emergent categories developed during coding process that contributes in building the emerging theory (Glaser and Strauss, 1967). This process is assisted by NVivo software.

### 4 FINDINGS

All participants confirmed that they are aware and understand the basic functions and benefits of international assignment for both employees and organizations. Improvements in terms of knowledge, experience, and expertise are those mentioned by all participants as one of the benefits of international assignment. In terms of personal development, the participants thought that the behavior and way of thinking of the employee would be more or less influenced by the culture and characteristics of the people in the country, for example being increasingly disciplined, more willing to argue, and so on. These benefits are in their top of mind.

Furthermore, according to two participants (P1 and P8), international assignment is a way to refresh and motivate the employees to improve their performance. One participant also said that the benefits of international assignment are that employees can have lots of 'instagrammable' stock photos to be posted on Instagram or other social media. One participant (P6) also argued that a company sends its employees abroad to prepare the employees before being promoted to the next career path. However, even though all the participants agreed on the importance of international assignment and showed their desire to participate in the event, international assignment was not an important factor that made them want to work in MNCs. This is related to interest and economic values of MNCs which are the dimensions that are most considered by most participants.

*"And there is dental plan there (red: in MNCs), you do not always get it in national companies since it is expensive. That is why only big companies provide it"* (Participant 9, FEB, 23 years old)

The examples of interest value dimension are work environment (P2, P4, P5), the flexibility offered (P4, P5) and challenging work (P2 and P4). As for economic value, the examples are higher wage (P1, P3, P6, P7, P8, P9) and benefits offered (P3, P9) such as dental care that is not offered by other companies. It can be said that these two dimensions are the main factors that make them interested in working in multinational companies and are among important distinctions between MNCs and other types of companies such as BUMN, government, or domestic BUMS.

The factor that causes international assignment to be less attractive to them is the lack of information they receive about international assignment. The participants themselves (P1, P4, P7, P8) said that they felt less exposed to information about

international assignment. Thereby, their awareness of international assignment is also lacking so they do not see it as a matter of great significance.

*"I know it from my aunt and friends who work there. They frequently broadcast the information on family group chat."* (Participant 3, FEB, 22 years old)

In terms of information sources, almost all participants relied on word of mouth (WOM) as their source of information, such as stories from seniors, families, and friends. In addition, the internship experience is also a way to gather information about international assignment or general information about a company. Information collected during this internship is also the source of their WOM.

*"it is one of the selling points. [...] However, we also always bluntly said that international assignment is not something we can promise [...] So, international assignment is one of our selling points, but we would not oversell it. We cannot oversell it because it is not something we can give it to everyone."* (Participant HR, MNC A)

According to the source from MNC A's HR, he acknowledged that international assignment is indeed one of their selling points, but the efforts made to promote international assignment are not great. They share more information about international assignments when job applicants have entered the interview stage. The main reason why international assignment branding is not conducted optimally is to maintain employee expectations. Since not all employees who have entered later can eventually take part in international assignment, the company does not want to massively promote international assignment. In addition, not everyone will be interested in international assignments, therefore MNC A does not "sell" international assignment as a separate attraction or benefit, but is sold along with other benefits as a total reward package.

Interestingly, the factors used by women to consider international assignment will change when families are included as part of their consideration. Like Participant 8 who said she would accept international assignment when she was already married, given that she was allowed by his husband when the opportunity arise. Even one participant (P9) said that she was not interested in taking part in an international assignment because she did not want to be away from his family, unless it was mandatory as part of her work. This is consistent with MNC A's HR statement that although there are many reasons that make employees refuse international

assignments, reasons related to family are the most common reasons not only for female employees but also male employees.

## 5 DISCUSSION AND CONCLUSION

This study showed that international assignment, which is part of development value, does not influence Indonesian women's interest to work in MNC. In contrast, two other employer attractiveness dimensions, interest value and economic value, emerged as main consideration. This is in line with the results of InHerSight survey, which showed that the top three things most desirable for women from their workplace relate to economic values and interest values, namely paid time off, decent salary, and work environment (InHerSight, 2018). The first factor contributing to this situation is the lack of information they received regarding international assignment. In this case, WOM dominates as the source of information. This strong reliance on WOM can be caused by the Indonesian culture itself, which upholds the value of collectivism, hence they heavily rely on personal sources of information (Fong and Burton, 2008). The company itself also admitted that they did not carry out large-scale international assignment branding to avoid excessive expectations from job applicants. Because of insufficient external branding effort, prospective job applicants do not view international assignment as an important consideration in choosing between MNC and other organizations. In this case, the role of international assignment which is supposed to be a distinction for one company with another company (Point and Dickmann, 2012) is not effectively deployed.

Given the poor efforts in promoting international assignment, companies need to improve the number of media used and the volume of information, especially on their website, which is their main source of information. In addition, the dominant role of WOM as a source of information requires companies to also strengthen their attractiveness. One of them is by providing meaningful internships for the interns. Moreover, since family issue and the assignment period Indonesian women's interest in international assignment, early assignment and the use of international non-traditional assignments might be effective to attract these women to MNCs. Future studies should attempt to determine if the solution to improve MNCs' attractiveness is whether

to improve the international assignment branding or to focus on other form of international assignment.

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