

## **The Impact of International Human Resource Management Practices on Short-term International Assignments: A Case of SMEs in Sri Lanka**

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### **Abstract**

*Empirical knowledge gap on short-term assignments and their outcomes encourage us to investigate the relationship between post-assignment behavioural performances and given pre-assignment HRM support as the main objective of this paper. Individual HRM functional level analysis, moderation effects of purpose of assignments, and the synergy effects of HRM practices were included for testing three specific objectives with the theoretical perspectives of high performance work practices, contingencies and system approaches. The results partially confirm that the relationship between individual HRM practices and behavioural performance. Among six HRM practices recruitment, training and compensation were positively significant. Synergistic effects of such practices were not confirmed while the purpose of assignments also did not moderate this HRM-performance relationship.*

**Keywords:** SMEs, International HRM, Short-term assignments, HRM practices, Behavioural performance

### **1. Introduction**

Recent research has drawn attention to complexities of traditional long term expatriation in favor of its more flexible cousins of short-term assignments. For short-term assignments the drawback is the calculation of performance in financial terms that would not be tenable at shorter time durations, and thereby the inability of identifying financial impact of incurred cost to the assignments (McNulty & Tharenou, 2004; McNulty et al., 2009). On the other hand human feelings like satisfaction, motivation, commitment, intention to retention etc add value to organizational process, leading to better financial performances (Paaauwa et al., 2006; Foley et al., 2010). In the final attempt of being a global firm in future, development of potential leaders through behavioural modification is necessary (Briscoe et al., 2009) with assurance of the continuity of the responsibility upon repatriation. Thereby strategic formation around behavioural performance foresees the future of the organization. On the other hand behavioural performances assessment would be an excellent feedback for the management on developing potentials of rest of the home country local staff. Thus, discussing the relationship between post-assignment behavioural performances of short-term assignees and given pre-assignments HRM support is the main objective of this paper. In this doctrine, authors are documenting three specific research objectives as (a) to investigate the nature of the relationship of perceived HRM practices and behavioural performances (b) to study moderation effect of organizational strategic aspect of assignments: purpose of assignments and (c) to analyze possibilities of interplay of HRM practices on each where authors assess the nature of the relationship of bundling of HRM practices and behavioural performances.

The both individual and bundling effect of HRM- approaches have incorporated to the study as quickness of the sample setting of short-term international assignees in SMEs (small and medium scale enterprises) which need to have closer look at formalizing and formulating HR strategies to ensure the competitive position of the organizations.

Authors have perceived that this study is significant on theoretical and empirical grounds as well. On the theoretical ground, framework development in this paper was largely based on three theories of high performance work practice (HPWP) approach, system approach, and contingency approach. Authors see the necessity of unique configuration of setting all the three theories together. On the empirical ground, due to the lack of studies on the businesses in the Asian region through existing literature (Bartlett *et al.*, 2001), brief overlook on international business organizations in the Sri Lankan context may add a new forum to continue this dialog further. Specifically, no such studies have been conducted in the context of Sri Lanka where international business operations have been increasing in SMEs than ever with high profile. Even in Sri Lanka also does not have a nationally accepted definition for SMEs and thereby our study was limited for the organization “with permanent employees 300 or lesser or value of fixed assets with RS. 400 million or less” as define by National planning department of Sri Lanka.

Thereby this study will expand the existent knowledge on the relationship between HRM and performances/employee outcomes in Sri Lanka having booming economy at the end of painful experiences of terrorism over three decades. Accelerating the development of the country, economic activities has been extended internationally as part of bilateral relations among countries. Foreign direct investment inwards flow as well as outward flow in the country has become remarkable to rewrite the history of the country realizing the motto of “Wonder of the south Asia by 2015”. As such assessment over behavioral performances of emerging type of international assignments like short-term assignments would be more meaningful in ever changing international business arena to that endeavor. However, the approach of the paper is reflective and descriptive in answering how, rather than why, the integration of HRM practices leads to better behavioural performances of short-term assignments of organizations.

## **2. Literature Review and Hypotheses development**

### **2.1 Behavioural performance as consequence of high performance work practices (HPWPs)**

HPWP means HR practices which are designed to enhance employee’s skills, commitment, motivation and productivity which enable system to be a source of competitive advantage of organizations. This provides opportunities of worker involvement and participation, for incentives which lead for high involvement, and skill development of employee (Wood *et al.*, 2011). On the other hand this may enhance, reinforce and sustain both the competence and commitment of employees in more favorably in ever changing business arena. By creating knowledge and opportunities, through HPWP, organizations prepare for more dynamic and flexible turbulent environment. However most of the pervious researchers have focused their attention to discuss this HPWP and performance relationship at organizational level rather than individual level (Guchait *et al.*, 2010). Among available individual level studies, HPWP and behavioural outcomes have been discussed. Thereby it found that compensation and training have positive influence on improving organizational performances in manufacturing sector. With regards to Western joint venture and wholly owned subsidiaries in Chinese context, individual rewards and performance appraisal showed positive relationship with firm performances (Bjorkman *et al.*, 2002). Service industries in Indian context indicated that employee perception on increasing one unit of HPWP caused to decrease intention to leave by half a unit (Guchait *et al.*, 2010). However considered HPWP in one study setting did not equally represent same results in another setting even at same country context or in same industrial setting motivating researchers to extend their HPWP and behavioural performances discussion further. Here the authors selected well known and important six functions as (a) preparation (b) recruitment (c) selection (d) training (e) performance evaluation and (f) compensation for the study.

*Hypothesis 01:* There will be a positive relationship between each HRM practice of (a) preparation, (b) recruitment, (c) selection, (d) training, (e) performance evaluation, and (f) compensation and behavioural performances of short-term assignees

### **2.2 Behavioural performance as consequence of bundling of HRM practices**

In addition to considering individual HRM practices respectively researchers argue that complementarities or synergies among HRM practices would enhance firm competitive advantages (Guchait and Cho, 2010). Bundling of HRM practices in this manner results in  $2+2=5$ , the whole is greater than individual practices.

In past literature two types of synergies which accumulated to vertical fit (external fit) and horizontal fit (internal fit) are found. The interdependent synergies among HRM practice are known to be horizontal fit, bundling, internal alignment, configuration, and complementarities in alternatively (Chanwick, 2010) which eventually balance the obstacle among functions if any. Bundling of HRM practices create the multiple, mutually reinforcing conditions that support employee motivation and skill acquisition, which are always greater than isolated effect. As employee performance is a function of employee ability and motivation in such a way that e.g., expected outcomes from each selection and training individually will increase when they get combined together (Delaney and Huselid, 1996) or performances is greater when they are combined with promotions as well as rewards to the management of the organization (Schuler et al., 1987). On the other hand, bundling of HR practices decide the nature of the relationship and interaction between and among managers and employees resulting in good labour management relationships in work place. There is no single best configuration of HRM practices bundle, but multiple unique configurations are capable in maximizing performance (Paauwa, 2006). Available literature was more supportive to identify different bundling categories but in this study authors limited for each individual level configuration to foresee the possibilities of development of HRM practices in such a context that is still in development stage of IHRM practices on short-term international assignments. These evidences motivate us to develop hypothesis 02 as follows.

*Hypothesis 02:* There will be a positive relationship between bundles of HRM practices and behavioural performances of short-term assignees

### **2.3 Contingent of purpose of assignments and HRM practices–behavioural performance relationship**

Organizations differ in their business demand in nature and appropriate configuration of HRM practices with different competitive strategies maximizes its competitive position in the market. As in Jackson (1995), when behavioural perspective of employees is concerned, this contingency perspective is in more favor to link competitive strategies and HR strategies. Purposes of short-term assignments have been identified by researchers such as filling skill gap, solving problem, transferring technology, achieving career advancement, developing talents in people, filling project requirement, keeping relationships with joint ventures, licensing and contracting, and improving quality of work life and personal life under broader categories of assignments types (Tahvanainen et al., 2005; Collings et al., 2007). Briscoe et al. (2009) broadly categorized these purposes as *demand-driven*, which is primarily developed around general manager or director positions and *learning-driven* purposes of assignments. Roberts, Kossek and Ozeki (1998) categorized assignments as *aspatial*, awareness building, and virtual assignments. Basic purpose of *aspatial* type of assignment is to develop in-depth understanding of global business, as well as international set of contacts. The direction of awareness–building type of assignments is to enhance assignees understanding on cross-cultural issues within short time period. In most cases time duration these types of assignments would be less than one year. SWAT and awareness development assignments come under the category of learning driven while *aspatial* comes under demand driven categories.

Due to absence of one best way to manage human resources, intervention of business strategies with HRM practices would enhance accuracy of the predictions among HRM–performance relationship (Pena et al., 2010). On the other hand if selection practices including selection criteria and techniques does not match the purpose of the assignments, lesser performances again be the result, due to absence of competent assignees and their poor skills and abilities (as in; Milliman, Von Glinow, & Nathan 1991; McNulty et al., 2004). Further, unless the compensation packages incorporate assignment purposes they don't impact employee motivation, task completion, learning attempt, future demand for the assignments. Technical assignees that underwent job related skill development training will ensure task completion more accurately and this matching will lead to career advancement opportunities which accounts for international performances as one criterion. On the other hand, in considering business expansion assignments and focusing more on interpersonal skills would be an advantage to successful task completion, which leads to improve marketability of the assignees upon repatriation.

Customized performance appraisals is ensure confidence of getting involve in decision making, as consequence motivation and possibilities of development of career, of which connect purpose of the assignments to motivation, development of the career (Gregersen et al., 1996). Required mental and physical attempt over completion of the assignment vary by purpose of the assignments.

High mental attempt and less physical attempt are required for coordination purpose than technology transfer assignments and possible incentive rates and promotion possibilities vary over successful completion of the task leading different performance levels. Thus authors' hypothesis as

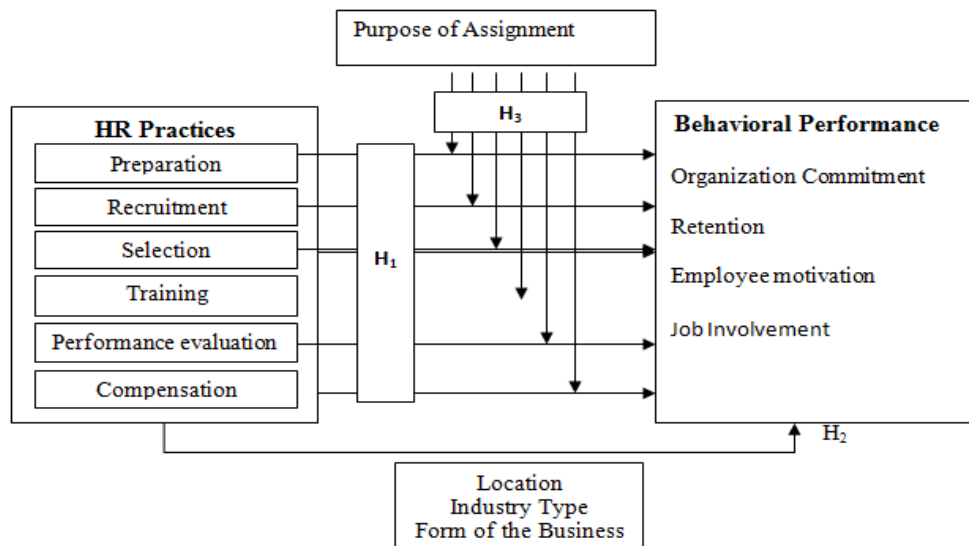
Hypothesis 03: The relationship between HRM practices of (a) preparation (b) recruitment (c) selection (d) training (e) performance evaluation (f) compensation and behavioural performances of short-term assignees will be moderated by purpose of assignments

**3. Method**

**3.1 Sample and data Collection**

Of 515 companies along 8 business categories associated with company registry of the Ceylon Chamber of Commerce for 2011-2012 and in the directory of the Export Development Board for 2012 were considered as the sample. Out of 336 companies, 93 are considered international business organizations (27.8% of the total population) which have relocated short-term assignees in 16 countries in Asian region during the last five years period. Managers or executives with less than one year experience in international assignments during the period starting from 01.01.2007 until 01.01.2012 in Asian region countries were selected. Basically this is an attempt of recalling memories over five year's period measuring current behavioural performances of short-term assignees. Research evidence is enough to justify this work in line with Delany and Huselid (1996), Ichniowski et al (1997), Guthric (2001) and Youndh and Snell (1995).

Most of the respondents' for this study was within the age range of 30-40 years old which represent 70% of the total number of respondents. The survey also found 13% of bachelor degree holders, 35% of postgraduate diploma holders and 22% of professionals. More significantly no female assignees were reported but all were male. Among them 60% were married and 40% were single. The number of respondents from international subsidiary and business units were 140 while the rest was from direct and indirect exporting organizations which are almost similar. As far as location is concerned majority of the respondents (28%) were experienced in India, Maldives 8% and Bangladesh 5% while lowest experienced Indonesia (only 0.2%). Other than that rest of the representative locations were fairly similar.



**Figure 01: Hypothesized Relations among HRM practices, purpose of assignment and behavioral performances**

**3.2 Scales and variables**

**3.2.1 HRM practices**

Having reviewed the literature (Huselid (1995), Delery and Doty (1995) MacDuffie et al (1995), Guest (2001) Batt et al (2002) Bojokman et al (2002), Foley et al (2010) the question items were listed.

Thereby *Preparation* for assignment was mainly organized around identification of task, duties and responsibilities it was measured in 5 items including characteristics on behavioural efficiency. *Recruitment* was measured using 5 items asking about the approaches to identifying candidates. *Selection* was assessed along selection methods with 5 items each that the respondents perceived within the capacity of executive and managerial level. Section for *Training* was also included in 4 items for training techniques. Evaluating *performance* of assignees and their experience was measured using 3 items while *Compensation* was again measured with 9 items. All question items were with a response range from 5 for very high to 1 for very low which was organized at 5 point Lickert scale.

### 3.2.2 Contingent with purpose of assignments

This construct consist of short-term assignment by purpose. In terms of measuring purpose of short-term assignments as suggested by Welch and Welch (1994); Tahvanainen et al., (2005); Collings et al., (2007) 6 items were assessed including career development and leadership development, controlling management, filling a specific project requirements, business expansion, and transferring specific knowledge. Authors categorized them into two groups allying with Briscoe et al., (2009) as “learning driven” purpose and “demand driven” purposes. Career development and leadership development purposes were counted under learning driven category coding “1” while for the rest “0”.

### 3.2.3 Behavioural Performances

We made assessments at subjective forms which reflect the effect on organization commitment, retention, employee motivation, and job involvement reviewed in 3 items for each (Hemmasi et al, 2010). Summation of the items was considered as a whole. Lickert scale was employed with a range from “5” as very high to “1” as very low.

### 3. 2.4 Controlling Variables

Three types of controlling variables are employed. Location, industry type, and form of the business were among them. As 16 countries in Asian region were included, authors decided to control them with the variables. Countries were categorized as “high income countries” as “1” which includes Japan, Korea, Singapore, Taiwan and Hong Kong and middle and others as “0” which included India, Bangladesh, Maldives, Malaysia, Nepal, Pakistan, Indonesia, Philippine, China, Thailand, and Cambodia. Industry type is another dummy variable in line with a previous study (Foley et al., 2010) and manufacturing firms are coded as “1” and others as “0”. Form of the business was considered under two major groups as organizations that have subsidiaries in foreign soils which were coded as “1” and rest were coded as “0”.

## 4. Results

### 4.1 Measurement validation

As the first step of the analysis, reliability coefficient of all HR practices (rang from 0.609 to 0.906) and behavioral performances (0.709) were measured. Some of the question items thereby dropped to satisfy internal consistency and reliability. We employed exploratory factor analysis with principal component method. This factor analysis was meaningful in two aspects. First to identify uncorrelated factors which minimize multicollinearity problems. Secondly removing items loaded on the same factor or cross-load on more than one factor (Minbaeva, 2005). Kaiser-Mayer-Oklin (KMO) values for all variables were above 0.5 while TVE score was satisfactory at above 0.5. Factor loadings were between 0.483 and 0.974. We considered dropping 14 questions out of 38 HRM practices related questions and 4 out of 25 behavioral outcome related questions. As the study was used to collect responses of independent and dependent variables through single self-responding questionnaire, mono-method bias would deflate the results. But the study is free from the error as lesser deviation among factor loadings.

### 4.3 Hypotheses testing

**Table 01** present the supportive mean, standard deviation and correlation results for each variable. A significant positive relationship was found between behavioral performance and recruitment ( $r = 0.887$ ,  $p < 0.01$ ) selection ( $r = 0.591$ ,  $p < 0.01$ ) training ( $r = 0.236$ ,  $p < 0.01$ ) performance ( $r = 0.222$ ,  $p < 0.01$ ) compensation ( $r = 0.256$ ,  $p < 0.01$ ) purpose of assignments ( $r = 0.191$ ,  $p < 0.05$ ), nature of the industry ( $r = 0.304$ ,  $p < 0.01$ ) and location ( $r = 0.256$ ,  $p < 0.05$ ) having preliminary support for further analysis.

In addition to the correlation results in **Table 01** regression analyses were used to test **hypothesis 1**. As reported in **Table 02**, control variables, and perceived HRM practices were entered independently at Model 1 and Model 2. Model 3 was for full equation considering control and independent variables simultaneously. Organizations without larger macro environment influences of industry type, nature of the business and location, in Model 2, the results could explain that three HRM practices emerged as significant construct of improving behavioural performances. As such recruitment ( $\beta = 0.909$ ,  $p < 0.000$ ), training ( $\beta = 0.153$ ,  $p < 0.05$ ), and compensation ( $\beta = 0.068$ ,  $p < 0.1$ ), show positively significant relationship.

**Table 1: Mean, SD and Correlation among variables**

Variables	M	SD	1	2	3	4	5	6	7	8	9	10	11
(1) Behavioural performance	.39	.29											
(2) Preparation	.92	.58	.020										
(3) Recruitment	.30	.65	.787**	.088*									
(4) Selection	.11	1.2	.591**	.123*	.715**								
(5) Training	.49	.53	.236**	-.078	.201**	.215**							
(6) Performance	.31	.73	.222**	.028	.233**	.265**	.735**						
(7) Compensation	.29	.53	.256**	-.078	.201**	.487**	.513**	.411**					
(8) Purpose of assignment	.41	.49	.191**	-.078	-.040	.015	.074	.041	.045				
(9) Nature of Industry	.18	3.8	.304**	-.008	.353**	.278**	.090	.099	.510**	-.109			
(10) Location	.48	1.0	.256**	-.087	.115	.068	-.004	.042	.231**	-.064	.597**	.322**	
(11) Form of Business	.12	4.2	.099	-.081	.263**	.229**	.054	.096	.464**	.016	.322**	.588**	.282**

Note: \* $P < 0.05$ , \*\* $P < 0.01$ , \*\*\* $P < 0.001$  (two tailed)

The model was enough to explain 77% variance ( $R^2 = 0.77$ ,  $F = 157.434$ ,  $p < 0.001$ ) of the behavioural performance

At Model 3, subsequently adding HRM practices and controlling variables to the regression equation, model fitness increased significantly with  $R^2 = 0.782$ , adjusted  $R^2 = 0.775$ . This analysis proved that recruitment ( $\beta = 0.890$ ,  $p < 0.000$ ), training ( $\beta = 0.115$ ,  $p < 0.05$ ), and compensation ( $\beta = 0.082$ ,  $p < 0.01$ ) were high. Whereas testing hypothesis 1, the results of the Model 3 was compared keeping Model 2 as principle effect model. In this regression analysis VIF values of all three models laid in between 1.024 to 4.409 showing no serious multicollinearity problem. Thereby at least within our study sample, out of six HR practices focusing upon recruitment, training, and compensation are well received by short-term assignees and they help for improving behavioural performances. This showed partial support for hypothesis 01.

**Table 02** was again supportive for testing **hypothesis 2**. Keeping Model 3 (in table 02) as principal model, ( $\Delta R^2 = 0.708$ ,  $F = 106.05$ ,  $P < 0.001$ ) Model 4 tested the interaction effect of individual HR practices while controlling main effect. First interacting variables were created multiplying independent variables pair wise. Factors loaded into same direction were used to minimize multicollinearity effect (Cooper et al., 2011). However hypothesized interactive effect of perceived HR practices was not confirmed ( $\Delta R^2 = 0.008$ ,  $F = 39.29$ ,  $P < NS$ ) for short-term assignees in this study. Therefore, Hypothesis 2 was rejected. That implies there is no considerable interaction effect of bundling of HRM practices improving behavioural performances of short-term assignees.

**Table 02: Hierarchical regression results for testing direct and interaction effect (hypothesis 1 and 2)**

Variables	Behavioural performances																																																																									
	Model 1	Model 2	Model 3	Model 4																																																																						
	$\beta$	$\beta$	$\beta$	$\beta$																																																																						
Constant	4.485	2.505	2.440	3.499																																																																						
Step 1- Controls																																																																										
D <sub>1</sub> -Industry type	-0.037		0.070*	0.066																																																																						
D <sub>2</sub> -Form of business	-0.246***		-0.016	-0.017																																																																						
D <sub>3</sub> -Location	-0.102		-0.042	-0.038																																																																						
Step02-HR practices																																																																										
1. Preparation		-0.046	-0.026	-0.373																																																																						
2. Recruitment		0.910***	0.890***	0.267																																																																						
3.Selection		-0.108	-0.068	-0.336																																																																						
4.Training		0.152**	0.115*	-0.549																																																																						
5. PE		-0.022	-0.015	0.612																																																																						
6. Compensation		0.068*	0.082*	0.489																																																																						
Step 03,04,05,06 and 07 - interaction																																																																										
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5">Model 04 : Two way interaction among functions</th> <th colspan="5">Model04: Two way interaction results among functions</th> </tr> <tr> <th>3</th><th>4</th><th>5</th><th>6</th><th>7</th> <th>3</th><th>4</th><th>5</th><th>6</th><th>7</th> </tr> </thead> <tbody> <tr> <td>1*2</td><td>2*3</td><td>3*4</td><td>4*5</td><td>5*6</td> <td>0.26</td><td>0.32</td><td>1.23</td><td>0.64</td><td>.14</td> </tr> <tr> <td>1*3</td><td>2*4</td><td>3*5</td><td>4*6</td><td></td> <td>0.52</td><td>0.11</td><td>-2.00</td><td>.78</td><td></td> </tr> <tr> <td>1*4</td><td>2*5</td><td>3*6</td><td></td><td></td> <td>-0.04</td><td>0.59</td><td>0.33</td><td></td><td></td> </tr> <tr> <td>1*5</td><td>2*6</td><td></td><td></td><td></td> <td>-0.25</td><td>-0.35</td><td></td><td></td><td></td> </tr> <tr> <td>1*6</td><td></td><td></td><td></td><td></td> <td>-0.03</td><td></td><td></td><td></td><td></td> </tr> </tbody> </table>					Model 04 : Two way interaction among functions					Model04: Two way interaction results among functions					3	4	5	6	7	3	4	5	6	7	1*2	2*3	3*4	4*5	5*6	0.26	0.32	1.23	0.64	.14	1*3	2*4	3*5	4*6		0.52	0.11	-2.00	.78		1*4	2*5	3*6			-0.04	0.59	0.33			1*5	2*6				-0.25	-0.35				1*6					-0.03				
Model 04 : Two way interaction among functions					Model04: Two way interaction results among functions																																																																					
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R <sup>2</sup>	0.07***	0.77***	0.78**	0.78***																																																																						
$\Delta R^2$	-	0.77	0.70	0.01																																																																						
Adjusted R <sup>2</sup>	0.06	0.77	0.77	0.77																																																																						
$\Delta F$	7.23***	157.43***	106.05***	39.29***																																																																						

**Notes:** \*P<0.05 \*\*P<0.01, \*\*\*P<0.001 (two tailed) Standardized beta values were entered, 2. Interaction results are paralleled to interaction function columns

**Testing hypothesis 3,** a series of hierarchical regression was implemented as in Table 3. First of all, interaction variables were created by multiplying the each HRM practice by the moderators. Keeping Model 1 as based model, rest of the two were considered for identifying possible moderating impact of purposes of short-term assignments. Keeping Model 01 as main effect ( $\Delta R^2 = 0.709$ ,  $F = 123.899$ ,  $P < 0.001$ ) compared Model 02 which was included both the interaction effect of purpose of assignments and HR practices ( $\Delta R^2 = 0.003$ ,  $F = 0.664$ ,  $P < NS$ ). Hypothesis o3 also not supported. An alternative investigation is meaningful as majority of our participants were from service sector organizations, within the age group of 30-40 years. Therefore, more studies should be conducted in other categories to have more robust analysis of the moderation effect of purpose of assignments.

**Table 03: Hierarchical regression for testing moderation effect (hypothesis 03)**

Variables	Model 01	Model 02
	$\beta$	$\beta$
Constant	2.445	2.353
Controls		
D1-Industry type	0.065	0.059
D2-Form of business	0.019	0.010
D3-Location	0.039	0.031
<b>Step 01</b>		
HR practices		
1.Preparation	0.027	0.016
2.Recruitment	0.895***	0.928***
3.Selection	0.077	0.112
4.Training	0.121*	0.154**
5.Performance evaluation	0.016	0.004
6.Compensation	0.079*	0.075
Purpose of assignment	0.036	0.513
Step 02-interactionPA and HRM practices		
PA*1		-0.199
PA* 2		-0.410
PA* 3		0.791
PA*4		-0.551
PA* 5		-0.245
PA* 6		0.130
$R^2$	0.783***	0.787***
$\Delta R^2$	-	0.003
Adjusted $R^2$	0.775	0.773
$\Delta F$	95.79***	0.664

Notes: 1 \* $P < 0.05$ , \*\* $P < 0.01$ , \*\*\* $P < 0.001$  (two tailed) Standardized beta values were entered, PA= purpose of Assignments

## 5. Discussion

This study extended the awareness of short-term assignments in several ways. 277 short-term assignees in 93 SMEs in Sri Lanka were analyzed in terms of the relationship between the given pre-assignment HRM support and post-assignment behavioural performances. Among the developed three hypotheses, hypothesis 1 was partially supported while rest of the two was not supported to prove the identified phenomena in the case of SMEs in Sri Lanka.

Hypothesis 01 partially confirms the supportiveness of recruitment, training and compensation on improving behavioral performance of short-term assignees in SMEs in Sri Lanka. In model 02 in Table 01, recruitment, training and compensation were able to explain 77% of variation in the behavioural performance. In these respects, at the condition where overall participation of the HR department on short-term assignments activities is less (83% of respondents reported that they received assistance and general information from their owned functional departments) but ad-hoc basis settlement on many practices through line departments is visible e.g., recruitment mainly influences individual basis information and Management nominations as suitable candidates are mostly well known, and their availability and or potentiality at any time considered. Research findings confirmed that training is the sole responsibility of alternative type of assignees. Senior employees, who took part in these assignments earlier, played a significant role as trainers. Informal but accurate information sharing attempt with previous assignees mainly affected this results. Due to time limitation and absence of HR Department for formalizing short-term assignments (Welch & Welch, 1994) systematic training was not usual.



However lesser formality of recruitment, training and compensation, is still strong enough to improve behavioural performances of assignees. Majority of SMEs in Sri Lanka are family owned or collaboration with friends or business partners where the managers who are usually the owners, makes more of the decisions in their group business culture and thereby close awareness and powerful social contacts might be motives for the results. High social ties maintain by employers might be strong enough to capture the most suitable person for the assignment. But getting use of rest of the HRM practices of preparation, selection and performance evaluation to improve behavioural performances was impossible with absence of the involvement of HR department. Poorly prepared tasks, duties and responsibilities cause to role ambiguity, fatigue, monotony in most cases are leading to poor employee performance as its *ad hoc* basis settlement in nature (Starr et al., 2009). Systematic arrangement of the assignments thereby would play a dominant role as base building block for rest of the HRM practices thus pre-preparation for assignments is necessary. Personal recommendations based on domestic track records revealed their inapplicability even for short-term assignments as goods selection method as well as selection criterion. Inherent challenging nature of the business task at international setting, target achievements might be quite stressful leading to poor performance records upon their return. Loss of self confidence, dissatisfaction over job adjustment difficulties finally disrupt psychological contacts leading for job involvement, lesser motivation or some time causing for quitting the organization too.

The findings of this study were not supportive to conclude the hypothesis 02: bundling effects of HRM practices improve behavioural performances. Many research findings revealed that there is significant effect of bundling of HRM practices on organizational financial performance improvement (Derly & Doty, 1996; MacDuffie, 1995; Yondt et al., 1996, Becker & Huselid, 1998). But this finding is in line with Delaney and Huselid (1996) and Dany et al., (2008), of integration of HRM practices is not always positive on performance enhancement. In the study interdependence of HRM practices were measured to check efficient complementarities on each other. As in Chadwick (2010) to have high complementarily interaction among two functions it is more favor falling short of functional equivalence and not perfect independent. However at the condition where systematic formalization of functions is absent that kind of functional equivalence is invisible. In addition to that if the absence of HR department or inadequate HRM practices is as general phenomena in SMEs' literature, management choice and owners view play a critical role on people management even in domestic front. Reality on formalizing HRM practices for short-term international assignees is far behind and the necessity is well acceptable.

In hypothesis 03, moderating power of the purpose of assignments observed for the relationship between HRM performances is not sound enough. This finding is contradictory with Boon et al., (2011) and Bjorkman et al., (2002). This should be obvious because the sample study we considered on both foreign subsidiary and exporting companies where role of HR managers is not as significant as that of line managers' covariance among purpose of assignment and HRM practices was acceptable.

## **6. Conclusion and Implications**

This study is under the shelter of theories and empirical findings developed on expatriate and HRM-firm performances discussion. Most of the concepts were taken for granted. Thus the results of the analysis direct us to three research implications. First the empirical results support the argument that out of six HRM practices recruitment, training and compensation are more relevant improving behavioural performance of short-term assignees. On the other hand our study found that bundling of HRM practices was not supportive. We conclude that improving behavioral performances of short-term assignees is concerned; attention on individual functional level is more worthwhile rather than considering them as a bundle. Purpose of assignment also was not the moderator of HRM-behavioural performance relationship of short-term assignees in the Sri Lankan context.

In these respects, the policy implications are, first high involvement of other line managers on strategic formation but lesser by HR managers at strategic planning stage, formalization of these types of short-term assignments were out of the main interest of top management. In this scenario, attention on HRM practice with the help of HR department would be more reasonable due to poor explanatory power of the exiting theories to reveal the realities of short-term assignments (Herod, 2008). On the other hand such excessive power to line managers on HRM practices is problematic and counterproductive due to number of reasons. Specialized knowledge on HRM practices violates continuity, consistency and conformity among HRM practices throughout the organization (Opatha, 1986).

As in Dany et al., (2008) such parallel role of line managers in addition to current workload, caused poor attention on employees (Kirkpatrick et al., 1992, McGovern et al., 1997). Therefore SMEs in Sri Lanka are still going through learning process, attention on HRM strategic level may be needed.

Secondly bundles of HRM practices in the study focused were not supportive. Internally consistent HR practices with high horizontal fit become coherent, complimentary and create synergy in a sense that one practices support the success of other practices (Khair et al, 201, Chandwick, 2010). As far as HRM functions deviate from their formalities, consistency, synergistic impact would not be expectable. Absence of systematic designing due to lesser involvement of HR department and the poor coordination of the HRM practices by a central organizational actors are predict lesser synergistic effect among functions (Chadwick, 2010). Owner management view on strategic partnership of short-term assignments as well as HR department involvement in strategic decision making in international business operations are antecedents of such coordination that enhance horizontal fit among functions. Even though HRM should not be the sole responsibility of HR managers nor line managers but rational role sharing among the two might be more applicable. Stage of internationalization, identified road map for the business should take into consideration more critically sharing of the HRM responsibilities. This finding open a forum of discussion to investigate whether absence of HR department and excessive involvement of line department or inadequacy of the identifications of the variables. Due to varying type of industries in nature whether they are the reason why it is difficult to generalize the findings in this study setting however necessary for further study.

Thirdly strategic fit among HRM practices and business strategies are well documented by previous researches even though it was not found within this investigation. The level of involvement of HR department at strategic formulation for international business and thereby policies for short-term assignments would be necessary for further investigation. However according to Herod (2008), there is no clear one-size-fits-all solution, as business needs, assignment location, average length of assignments, and the assignee's nationalities and job levels all should be considered for identifying the appropriate policies in addition to the purpose of assignments.

Considering the findings of the study, some limitations were noted. First, the views of managers and or executives from home country head quarters were considered. Therefore results totally depend on the home country perspective. Future researchers must access host country related aspects too. Common method biasness is the second limitation we perceived. That is because HRM practices as well as views on outcomes are from the same response group. Triangulation data collection would enhance the accuracy of the method. Third to have the better control over the factors of cultural distance among region, the study attention was limited to Asian region. But we should welcome for expanding the investigation to other region too. Fourth broader coverage of industries prevents us from making unique policy implications as variation of HRM practices and strategic fit at different industries. Thereby case studies on success stories in Sri Lanka would further enrich our conclusions. As the model has been tested only against six HRM practices, wider coverage on HR practices is necessary. In the Sri Lankan context management of international work force was not theoretically or empirically investigated satisfactorily. In that regard these findings open the door for academic and practitioners for further discussion.

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