

Overview of Expatriate / Global Talent Research Studies:

Development of the SRI —
International Assessment Processes,
Instruments and Tools

Expatriate Research

The following quote, from a respondent in SRI's first expatriate research study, speaks cogently to the importance of candidate selection as one of the few success factors under the control of organizations doing business globally.

"Of all the many categories mentioned in Selection Research International's survey – Employment Screening may be the greatest culprit.

Most potential problems can be identified prior to their relocation. Too often, the time to perform a screening properly is disallowed in favor of the minimum attempt to hire the technically qualified and get him or her on site."

U.S. Embassy Official
Saudi Arabia

Overview of Expatriate Research Development of Assessment Processes and Tools

SRI's international assessment procedure and instruments are based on four major research and validation studies that we conducted between 1978 and 1993.

- 1978-1982 Foundation factors and Conditions Predicting International adaptation and job suitability
- Survey Analysis to Determine the Critical Factors Causing or Contributing to Failed International Assignments – including performance risk and personnel-related problems.
- 1979-1981 Validation Studies for SRI assessor-conducted formal interview and testing procedure: International Assessment Process
- A longitudinal study conducted at McDonnell-Douglas Saudi Arabia, Peace Sun F-15 Program to evaluate and establish the reliability of SRI's research-based, cross-cultural adaptability interview techniques.
- 1984-1987 A study conducted at the High Commission for the Development of Riyadh, Saudi Arabia - Riyadh Development Authority comparing the job performance and cultural adjustment of expatriates screened by SRI in North America and recruiting firms in the U.K., Ireland, Australia and New Zealand.
- 1992-1993 Development of international assessment instruments and selection system for SBC (The New AT&T): (1) international self-assessment instrument for the employee and spouse, and unaccompanied employee **IAE**, (2) supervisor-conducted evaluation instrument for potential international employees **SEI**.

International Assignment Exercise IAE Supervisor International Evaluation Instrument SEI

International Candidate Pool (ICP) and Selection System

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SRI conducted two research studies between 1978 and 1982, which led to the development of SRI's International Assessment Process. These studies were followed by a study between 1984 and 1987 to increase the reliability and predictability of the IAP.

Until 1991, the IAP had been SRI's core international assessment service. During 1991 a number of multinational corporations spoke with us about the need for a reliable self-assessment inventory for the employee and spouse and a structured instrument for supervisors to evaluate employee competence for international candidate pools and country-specific assignments.

In 1992, SBC commissioned SRI to develop the aforementioned assessment tools to create an international candidate pool with 16,000 managers and their spouses. The assessment instruments had to be able to stand alone and work in combination as major components in the SBC selection system. Each instrument was developed using construct validity to be acceptable for the SBC selection system.

SRI's research in expatriate assessment and selection resulted in the creation of valid and reliable selection instruments and procedure. Each instrument works independently and may be used as a key component in a comprehensive, integrated international selection system.

The **Research Section** of this document describes:

- Four expatriate research studies
- Development of the face-to-face and telephone-based International Assessment Processes
- Development of the:
 - International Assignment Exercise IAE
 - Supervisor International Evaluation Instrument SEI

Expatriate Research and Survey Analysis

Between 1978 and 1982 Selection Research International, Inc. conducted a seminal study of the critical factors predicting job failure, job suitability, and personnel-related problems in global assignments. Underlying the study was our hypothesis that a survey of men and women (Americans and Western Europeans) living in Saudi Arabia would be able to identify the critical behavioral factors for successful overseas adjustment. It was also our contention that the behavioral factors would apply in screening and selecting personnel for global assignments generally. However, we also recognized that the behavioral factors, to be used appropriately, would have to be adapted to the specific culture and job context of an international assignment.

The decision to conduct our research with employees and spouses living in or having worked previously in Saudi Arabia was based on the following:

- Saudi Arabia provided the opportunity to survey a large population of American men and women with recent expatriate experience;
- We hypothesized that Saudi Arabia's culture and environment would tend to highlight the behavioral and familial factors and conditions affecting an international assignment;
- We believed a database developed using sound social science research methods would be a foundation for further research, and have immediate application for companies doing business in Saudi Arabia and other countries around the globe.

The title of our expatriate research study is:

**Saudi Arabia — A Survey Analysis to Determine the Critical Factors
in Failed Job Assignments**

The survey questionnaire comprised two sections.

The first section requested non-intrusive information from each respondent (employee and spouse), such as, in-country dates of employment, cumulative time in months spent at each location, employing industry and type of work performed, marital status, sex and age of accompanying dependents, and number of persons they knew to have failed to complete assignment contracts. Space was provided at the end of this section for written comments.

The second section asked respondents to rate fifty-six potential problem events. These were categorized in three subsections: *The Employee and His/Her Family*, *The Host Country*, and *The Employing Organization*. Respondents were asked to rate each potential problem event as it related to the question:

"To what extent does each potential problem contribute to contract failure in Saudi Arabia?"

Problem events were rated:

- Great Extent
- Significant Extent
- Moderate Extent
- None

Numerical values of 3, 2, 1 and 0 were assigned respectively to each of the above ratings and mean average scores computed for each potential problem event. Using scores between 3.0 and 1.00 as the significant range, problem events were rank ordered in each subsection and assigned a place in the overall the survey.

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Five hundred surveys were printed, four hundred surveys were distributed in the U.S. and Saudi Arabia and over three hundred filled out and returned. Over one hundred and eighty surveys were selected to contribute to the final database.

Criteria used to include surveys in the sample were: Respondents had to have lived/worked in Saudi Arabia a minimum of twelve consecutive months, and all of the items had to be completed in the questionnaire.

- **"Screening" was rated the number one factor in the survey and "Technical Competence" the lowest.** *"Inadequate screening of the employee" and "Inadequate screening of the spouse" are two of the fifty-six potential problem events in the survey under the subsection "The Employing Organization." These two events naturally cover many of the behaviorally related potential problem events in the subsection "The Employee and His/Her Family."*

For example, the critical event *"Inadequate screening of the employee/spouse"* includes critical events within the stress domain, such as: *"Lack of patience," "Lack of flexibility," "Inability to take inconveniences in stride," and "Emotional instability."*

- Respondent assignments averaged thirty-seven months, and two-thirds of the respondents knew at least five people who failed to complete their assignments. Because of confidentiality, the survey did not attempt to differentiate between respondents knowing the same persons who failed assignments.

Prior to our quantitative study we interviewed more than thirty American and Western European expatriates working in Iran; and during its development we interviewed over two hundred former expatriates who had worked in Latin America, Europe, the Middle East, and Asia-Pacific, including upper management from U.S. multinationals, government agency officials, behavioral scientists, and staff from international service organizations.

Designing the International Assessment Process

Longitudinal and Cross-sectional Studies

Additional research verified our original hypothesis about the importance of personnel screening and further defined the principal factors contributing to successful, failed, and problematic international assignments. In addition, our research provided the foundation for designing an integrated system for expatriate screening and selection. Evaluation procedures were developed for assessing critical factors across a dimension of risk ranging from low risk, highly adaptable persons to high-risk, potential early contract returns, and high-risk, adaptable individuals.

We also correlated the key behavioral factors with the Jackson Personality Inventory (JPI), a new generation of test with applications to business, integrating the JPI with in-depth psychosocial interview methods.

First Longitudinal Study – McDonnell-Douglas Services MDS

In 1979, we provided the results of our expatriate research to McDonnell-Douglas Services to design the MDS personnel system for recruiting/screening/selecting/preparing over two thousand employees and their spouses for the Peace Sun Program, F-15 aircraft, in Saudi Arabia. In 1981, we tracked the implementation of the selection system at MDS conducting informal, one-year longitudinal study involving MDS personnel and their spouses.

Our study at MDS tracked over three hundred employees screened by four MDS Personnel Representatives – from recruitment and screening through in-country relocation. The Personnel Representatives operated in pairs conducting adaptability interviews and cross-cultural orientations. One pair of Personnel Representatives received training in SRI's *Focused Adaptability Interview techniques*, while the second pair of Personnel Representatives, hired because of their prior work experience in Saudi Arabia, received no training.

Shortly after the study began, MDS fell far short of its staffing goals and – with the exception of candidates and spouses failing their medical examinations or Defense Department clearances – began hiring all job candidates regardless of negative screening results. MDS inability to screen properly at this time allowed SRI to monitor and track employees and spouses identified by the trained interviewers as potential risks, as well as the candidates and spouses who had received superficial screening by the untrained pair of interviewers. As a result, in addition to the valuable feedback we received about employees and spouses from MDS U.S. and in-country Personnel Managers, MDS general hiring practices gave our study added rigor.

- As a result of using a research-based, integrated screening and selection approach, MDS experienced a 12% attrition rate versus 40% attrition rate experienced annually by U.S. companies operating in Saudi Arabia. The low attrition rate was attributable in major part to the screening system identifying job fit and family-related issues; medical exams were able to screen out most candidates and spouses with health-related problems; and a majority of employees and spouses had previous overseas experiences in the military and/or long-term international assignments with a defense, aerospace, service, or construction company.

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- Out of one hundred and fifty employees screened by the trained interviewers, over 60% were identified prior to their employment by MDS as presenting a potential non-health-related risk. Candidates who had been red flagged, demonstrating a potential derailment factor, during their adaptability interview were observed exhibiting a range of dysfunctional behaviors during their pre-departure training stage at MDS headquarters, and after they were sent in-country.
- For example, employees falsified per diems and allowances for car rental, family housing, and dependents' boarding school; claimed non-concurrent travel bonuses for their spouses when they were actually divorced; engaged in illegal use of company property (using company jets to smuggle items considered contraband by the Saudi government in and out of the country), one employee withheld the passport of his spouse so she could not leave the country to file for divorce, and employees were arrested for selling prohibited alcoholic beverages and expelled from the country for engaging in illegal activities.

From January to December 1981, MDS filled its first in-country positions. 20% of the attritions were related to special medical and family needs in the U.S. Of the remaining 80%, the majority of contract failures resulted from employees and their families lacking the internal resources for achieving stability in their lives, as well as illegal activities. Of this group, 100% of those screened by the SRI-trained interviewers were identified during their assessments presenting some level of risk (derailment factors and conditions).

Second Longitudinal Study and First Cross-sectional Study High Commission for Development of Riyadh

From 1984 through 1986, SRI conducted a longitudinal study of senior professionals it recruited and screened for The High Commission For The Development Of Riyadh – Riyadh Development Authority (RDA).

SRI was approached by the RDA, because of its research-based screening approach, to recruit from the U.S. and Canada senior professionals in urban and social planning, architecture, demography, computer modeling, economics, landscape architecture, park design and desert horticulture to fill key positions in the strategic planning organization of the capital of Saudi Arabia. Recruiting was also conducted for the RDA by dedicated search firms in the U.K., Ireland, Australia, and New Zealand.

- Every three months, SRI was given feedback on the performance of the Americans and compared with their counterparts from Europe, Australia, and New Zealand, by a member of the RDA's technical advisory group.

The RDA's Saudi management rated the 10 American employees recruited by SRI equivalent in technical knowledge to their counterparts. However, they exceeded their counterparts in job performance, contribution to the RDA's mission, adjustment to the Saudi Arabian culture and living conditions.

- The Saudi managers and their tactical advisory group described the Americans as superior in their initiative, motivation, enthusiasm, and willingness and ability to adapt themselves – and western technologies – to RDA planning objectives and cultural sensibilities. They also were noted for taking a greater interest in the Saudi culture and their adjustment to their new environment. Dr. Mohammed Al Sheik, President of the RDA, and his Saudi Directors referred to the Americans recruited and screened by SRI as their "Aces."
- Out of ten employees recruited and screened by SRI, one failed to complete the standard one-year contract. SRI, however, had identified this single-status individual as a risk when submitting its short list to the RDA for approval. The RDA decided to hire this candidate in spite of SRI's recommendations to the contrary, because of the lack of technically qualified candidates from its other recruiting sources. In addition, no personnel-related problems were reported for the American group, or accompanying family members, during SRI's two-year staffing project.
- The Riyadh Development Authority gave SRI significant input into the selection of the people it recruited and assessed. Two other conditions made this study particularly unique: First, professionals were recruited concurrently from different countries to fill similar positions, which made possible a comparison of methodologies. Second, SRI had the rare opportunity to receive feedback directly from the host country's senior management about its people's performance during the contract and several years following.

Research Conclusions

In January 1982, four years after beginning our expatriate research, SRI completed a study of the critical factors and conditions impacting international business assignments. Our research directed our attention to the primacy of expatriate assessment and led to the development of our reliable and predictive International Assessment Process. Our studies also enabled us to define an integrated approach to expatriate screening and selection as part of a broader organizational model.

In two multi-billion dollar projects, in the same country, we were able to test and validate our research-based assessment approach. We received feedback from both American and International management, establishing the predictive value and reliability of our research-based international assessment techniques.

- SRI's research and assessment techniques have created a broader rubric for screening and selecting employees and spouses for international assignment. The concept of cross-cultural adaptability was expanded to include job suitability, and connections were made with career and management development and organizational planning.
- Areas previously not considered for cross-cultural evaluation and testing were opened to more sophisticated behavioral assessment procedure; and identifiable characteristics – attitudes, values, motivations, and behaviors emerged for employees and spouses, which could be evaluated at many organizational levels.

Developing and Validating International Assessment and Selection Instruments

SBC / The New AT&T

During 1992 and 1993, SBC funded research and development for the state-of-the art international screening and selection instruments.

- **International Assignment Exercise IAE**

Purpose To enable the employee and spouse, and unaccompanied employee to make a well-informed decision about taking an International assignment and joining the SBC Candidate Pool (ICP). The ICP is part of the SBC Management Information Selection System (MISS).

The IAE was created as a validated, stand-alone, self-assessment tool for the employee and spouse, and unaccompanied employee considering an international assignment or entering a global talent pool. It is based on SRI's expatriate research studies, research by social scientists and the SBC Competency Analysis. The *IAE* asks people to think honestly about important aspects of their lives in relation to the key areas identified by this research.

The IAE prepares the candidate and spouse for relocation and acculturation to different countries and is directly linked to cross-cultural training. The employee and spouse share one workbook. A separate IAE workbook was designed for the unaccompanied employee.

- **Supervisor International Evaluation Instrument SEI**

Purpose To enable supervisors to conduct a preliminary evaluation of potential international employees.

The SEI was designed as a validated instrument to provide the company critical information for making reliable expatriate selection decisions.

Validation Process

Liability SBC's corporate counsel required SRI to validate the IAE and SEI, as well as the SBC Candidate Pool (ICP), Selection System to diminish corporate liability (e.g., Federal Uniform Guidelines on Employee Selection, EEOC, ADA, Right to Privacy 1991).

The IAE, SEI, IAP and SBC Selection System were designed and validated to provide relevant job information, without affecting a disproportionate number of protected classes (the 4/5th rule).

Method of Validation

Of the three research methods for establishing an assessment tool's validity (content, predictive, criteria) SRI used content validity drawing on SRI's prior expatriate research studies, SBC Competency Analysis, and the comparison of SEI and SRI-conducted International Assessment Process.

Design Process

The process for designing and validating the IAE and SEI consisted of ten steps.

International Competency Model

1. **Research Background** The foundation for the IAE and SEI came from SRI's expatriate research studies of the key competencies, imbedded in the individual's personality, which contribute to successful job suitability and adjustment in a International assignment.

Review of International Assessment Tools Dr. Edmund Gaydos and Mr. Barry Kozloff, members of SRI's Senior Assessment team, reviewed international assessment tools currently used by companies and presented to SBC the limitations of each; e.g., lack of supportive research, lack of validation, lack of reliability and predict job-related performance, the false precision given by numeric scores on cultural inventories and tests, lack of standardized test design, trait contamination, transport validity, inappropriate content focus, and lack of adherence to the Federal Uniform Guidelines on Employee Selection.

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2. **International Competency study** SRI conducted a global competency study at SBC to identify the critical competencies for successful and failed expatriate employees and spouses.

SRI interviewed sixteen SBC expatriates, including international division presidents, HR managers, supervisors, long-term employees and spouses and short-term employees. Each interview lasted approximately 2.5 hours and produced over forty hours of audiotapes.

3. **Data Analysis** Data from the interviews and audiotapes was analyzed, and the International Competencies identified, weighted and prioritized. The International Competencies and conceptual design for the IAE and SEI were then presented to the SBC and domestic HR Planning organizations and MIS department.

The International Competencies identified by SBC expatriate personnel were supported by SRI's three expatriate research studies (1978-1987) and correlated with social science research on human functioning and the stress domain. This includes the ability to handle change in relation to relocation stressors and cross-cultural adjustment, and the relationship of the stress domain to social sensitivity, interpersonal skills and problem solving.

International Assignment Exercise IAE

4. **IAE Design** A team of seven SRI assessment specialists was responsible for designing the IAE. Each specialist had experience working and living in an International country, including positions with corporations and government agencies. SRI staff had the appropriate academic and professional credentials and certifications for this project (Master's and Ph.D. degree levels), industrial psychology, psychometric testing and assessment (clinical, corporate and consulting), cultural anthropology, ESL and linguistics.

SBC Human Resources planning organizations and line management made extensive contributions throughout the development of the project, including an on-going review and recommendations.

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Two versions Two versions of the IAE were designed, one for the employee and spouse / domestic partner and one for the unaccompanied employee, because of their different sets of relocation adjustment issues and needs.

5. **IAE Trial Group** The IAE was given to a trial group of 250 SBC couples and a number of single status employees who had indicated to the company a desire to take an International assignment. After working through the IAE, 190 couples and single status employees reversed their decision to take an International assignment, while 60 couples and single status employees decided to join the SBC Candidate Pool (ICP).

Supervisor International Evaluation Instrument SEI

6. **SEI Design** SRI's assessment team, in collaboration with SBC's domestic and international HR Planning organizations, was responsible for developing the SEI. SBC HR organizations drove the development of the SEI. The domestic HR Planning group wanted to link the SEI with the SBC Management Review Form and appropriate 'fields' in the MIS System.

SRI's Senior Assessment team reviewed SBC's present and new Management Review Forms to correlate Domestic and International Management Competencies.

SBC domestic and International HR Planning staff and line management conducted extensive reviews of the SEI during its development providing recommendations for fine-tuning.

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7. **SEI Content-Valid Research Study** Dr. Gaydos designed a research study for the SEI and presented it to the SBC HR Planning organization.

Research Study Objectives To determine if managers untrained in focused, adaptability assessment techniques, using the SEI alone, could identify the same key behaviors and skills (International Competencies) in their employees that SRI identifies through its rigorous International Assessment Process.

Selecting SEI Trial Group The SBC HR Planning organization then went back to the group of 60 employees, from the original 250 couples that had taken the IAE, who still wanted to become part of the SBC Candidate Pool. SBC randomly selected from this group 10 employees (married and unaccompanied) who were then evaluated by their supervisors using the SEI.

SRI Evaluation SRI using SRI's International Assessment Process then evaluated the 10 employees. The SRI assessor then completed an SEI for the employee after conducting a full assessment with the employee and spouse or unaccompanied employee. The SRI assessor had not seen the supervisor's SEI prior to filling out his own.

The IAP Trial Involved:

- Pre-assessment telephone interview, Background Information Form and administration of a paper and pencil test (Jackson Personality Inventory). The JPI is a highly validated psychometric personality inventory whose psychological subscales correlate with SRI's expatriate research;
- Ten hours with the employee and spouse, including individual and joint interviews and feedback session;
- Following the assessment, SRI gave SBC verbal feedback and the *SEI* completed by the assessor.

8. Comparison Study of SBC Supervisor and SRI Assessor SEI Evaluations

After conducting the ten formal psychosocial evaluations (IAP), the SRI assessor compared the SEI he had completed on the employee with the SEI completed by the employee's supervisor for each International Characteristic, example-by-example and rating-by-rating.

Results Dr. Gaydos and Mr. Kozloff presented the results of the SEI Trial Assessment Evaluations to the SBC Planning staff in a 100-page report. SRI and SBC staff then met to review the results of the report.

1. Seven out of the ten SBC supervisors' SEI ratings and supporting behavioral examples correlated directly with SRI's IAP-based SEI results;
2. The remaining three supervisors' SEI Summary Rating Pages had direct opposite ratings to those of the SRI assessor for the same employee.
3. Where the SRI assessor and SBC supervisor differed, the SBC supervisor rated their employee in the "Top 10%" of their work group, whereas, the SRI assessor rated the employee for the same characteristic in the "Bottom 10%." International Characteristics given high ratings by supervisors and low ratings by the assessor indicated a false positive.

Conclusions 70% of the supervisors using the SEI were able to evaluate their employees for the key International Characteristics and arrive at the same conclusion as SRI's formal psychosocial International Assessment Process.

30% of the supervisors gave false positive ratings for the International Characteristics with respect to the pilot group's abilities and skills.

Company / Assessor SEI Application The SEI neither guarantees for, nor eliminates an employee from, an international assignment.

Supervisors, using the SEI, provide the company relevant information about employee competence. A low rating in the SEI for an International Characteristic is red flagged by the company's MIS System. This initiates discussions between the international operations looking at the candidate, HR and the candidate's immediate supervisor.

The supervisor's completed SEI is given to the SRI assessor conducting an IAP as an additional source of information about the employee's strengths and development gaps.

When a problem area surfaces during the IAP, the SRI assessor presents the issue to the company during the feedback session following the evaluation. The SRI assessor and the international operations manager then talk with the employee's supervisor about the employee's behavior in the problem area. The examples given by the supervisor in his/her SEI are probed in this discussion.

9. Focus Group

The ten supervisors, whose employees participated in the IAE-SEI Trial studies, met for a day with Kozloff and SBC HR Planning staff to fine-tune the instrument.

With supervisors input, definitions for the International Characteristics were clarified, additional rated examples and structured questions developed, and the format of the SEI re-designed.

10. SEI Final Version The revised SEI was presented to SBC domestic and international HR Planning organizations, line managers and international subsidiaries for review and final recommendations.

SBC then distributed the IAE and SEI to its subsidiaries for use in screening its 16,000 managers.

Key Traits Shared by Successful Global Talent and Spouses / Partners

SRI'S expatriate and global talent research and assessment experience over 33 years have identified and defined the following traits shared by successful international employees, managers and spouses / partners. These traits appear as a group or constellation of behaviors and skills.

Confidence / Emotional Maturity

Assurance in handling professional and personal situations, behavior fitting the professional and social situation

Introspection

Insight into self and willingness to discuss personal motivations

Practical Astuteness

The ability to negotiate everyday situations by means of insight into social dynamics and a careful attention to detail; this ability is to be distinguished from standardized measures of intelligence

Social Intelligence

The ability to act with understanding and sensitivity within complex social and professional situations, particularly in contentious or stressful environments

Flexibility / Adaptability

The ability to operate under novel conditions, change rapidly to meet new demands, and adapt to the unexpected. Often accompanied by a keen inquisitiveness

Tolerance

Acceptance of people holding different ideas, beliefs, and customs

Interpersonal Skills

Insight into social situations, empathy, active listening, behavior appropriate to the situation

Motivation

Initiative, vision, drive, breadth of interest, inquisitiveness

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Values / Ethics

Strong set of personal values and integrity

Responsibility

Doing what is right regardless of the consequences to oneself. Moral rectitude

Independence

Ability to act with little supervision and initiate needed action without being told

Family Stability

Mutual respect, open communication, concern for the other's well being, shared values, joint problem solving, constructive approach to special needs of other family members