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UNIVERSITY OF KWAZULU-NATAL

**HOW ARE MULTINATIONALS OPERATING IN ZIMBABWE DEVELOPING
LOCAL TALENT?**

By

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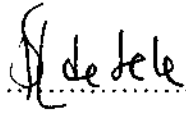
DECLARATION

This research has not been previously accepted for any degree and is not being currently considered for any other degree at any other university.

I declare that this Dissertation contains my own work except where specifically acknowledged.

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I dedicate this work to my dear mother, Rachel Mathuthu Moyo.

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ABSTRACT

Talent is a relative term usually used to describe someone who is able to perform a task better than their peers. This implies that such people have additional skills, competencies aptitudes or areas of intrinsic motivation that they bring to their performance on the job. In Zimbabwe it is difficult to plan ahead as the skills base continues to shrink and competition is increasing among organisations for the limited talent that is available. The aim of this study is to establish whether and how Multinational companies (MNCs) operating in Zimbabwe are developing local talent. To ascertain the understanding of talent development, whether talent management is shaped by business strategies and effectively communicated and implemented across the organization and if local talent is utilized to its optimal and retained through innovative strategies. The study also extrapolates benefits that organizations realize from talent development and how the organizations can tackle the challenges they face.

The researcher used a positivist approach. The research was positivist in that a survey was carried out using one systematic and structured questionnaire administered to human resources, secretariat and executive management of multinational organizations operating in Zimbabwe. Data collection was both quantitative and qualitative thus accommodating the phenomenological approach.

Whilst the study presupposes that the majority of companies in Zimbabwe have no definition of talent development tools therefore unable to identify, engage develop, deploy and retain high valued staff who have high potential for critical and leadership roles, the findings are that most multinationals operating in Zimbabwe do have talent management tools in place. The study identifies key talent development drivers. Recommendations on innovative recruiting, developing and retaining the talent required to fulfill the organisation's business strategies and plans in an effective and efficient way are proffered. An area of further study proposed is on the causes and effects of labour unrest and staff turnover in the country, multinational and local organizations and the impact and implications this has had on the socio economic environment and how a track of skills flight can be undertaken to ensure that such skills can be lured and accommodated back home when the economic and political environment improves.

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CHAPTER ONE

1.0 INTRODUCTION

1.1 INTRODUCTION

This research seeks to establish how multinational organisations in Zimbabwe develop local talent as a strategy to ensure continuous development and enhanced performance of personnel and overall business success.

The next section gives a brief overview of the local talent development in multi-national sectors, that is, their importance and strategies used. The subsequent sections define the research problem, the justification and importance of this study while the final section outlines how the research is structured. Zimbabwe is a member of regional trading blocs such as the Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC). As a developing nation, which attained its independence in 1980, Zimbabwe is facing great challenges in creating a vibrant economy through the utilisation of all available resources.

1.2 BACKGROUND OF THE STUDY

Multinational organisations considering locating offshore manufacturing units must not only recognise but fully understand the salient and distinctive cultural imperatives of the host nation. While the *raison d'être* of multinationals is superior return on investment, the local community may have a different perspective, believing the company to be a provider of employment opportunities and an important contributor to the economic infrastructure and wellbeing of the immediate community (O'Keeffe, 1984).

This divergence of understanding is one where insufficient attention leads to much misunderstanding in that management techniques and practices that work in the expatriate's country may not deliver the same result in the host environment (Hofstede, 1980). The recruitment and selection processes of expatriate management and their

preparation for overseas appointments in different and diverse locations (with their own distinctive cultures) must be given greater consideration if such appointments are to deliver win-win situations for the organisation and host location.

With the advent of the global economy came the realisation that the only lasting competitive advantage is not people *per se* but the ability of an organisation to take advantage of the intellectual capital of individual employees and diffuse it effectively throughout the organisation. The key considerations for any organisation wishing to establish additional advanced technology manufacturing capacity in different locations across the globe are:

- The compatibility of the host country's cultural imperatives with the organisation's strategic vision.
- Understanding the need to move from capital towards intellectual capital for long-term competitive advantage.
- How far down the learning organisation curve established organisations have progressed.
- The executive challenge of learning organisation environments.

Given this scenario, the Multinationals need highly competent and productive local people at all levels that can respond positively to customer needs. It is imperative that the multinationals develop a strong and superior skill bases to adequately serve their customers. Multinationals therefore, need to develop effective human resource development (HRD) strategies in order to harness and exploit the local human potential. This is a prerequisite to the challenges presented by technology that is advancing at a very fast rate in all angles of the global economy. In order for effective learning and skills formation to take place at the organisation, the sector needs to support on the job training through interventions that promote self-development and ownership of the learning process by the workforce (Koike and Inoke, 1990). Formal institutional learning and development of employees become fundamental to the survival and growth of these organisations especially on managing the negative impact of local cultures. (Boggs, 2001).

1.2 PROBLEM STATEMENT

There is increasing pressure on multinationals to become 'local'. Efforts to develop local talent are hampered by skills flight in Zimbabwe, a phenomenon that has been brought on by the challenges facing the Zimbabwean economy that has impacted negatively on the job market. Multinationals face challenges of culture sensitivity. Such sensitivity requires the ability to understand the nature, dimensions, and variables of a specific culture and how these affect work and organizational processes. They are being impacted by expects from one society failing to conform to behaviors of another society. Talent management should be embraced within the organisations' business strategies to ensure synergies between the implementers (human resources) of the strategy and the goals of the organization. A number of companies in Zimbabwe do not have structured talent development processes in place and therefore lose on the opportunity to utilize local talent to its optimum. There is a great need for employee engagement with regards to their career development within and outside their organizations. Such engagement would be influenced by a number of factors such as belief in the organization and a perception that the organization is supportive of one's personal development, the desire to work, understanding the business model, good relations with colleagues and professional, fair and impartial behaviour by managers whether local or expatriate. Such an approach would enhance current and future business success.

As a strategy to achieve high productivity, most multinationals in Zimbabwe are investing heavily in new technology that utilises computerised processes. There is lack of skilled and experienced personnel who can ensure that the organisations' wheels are kept in motion. There is critical shortage of specialized personnel like program officers due to the fact that there are very few individuals with the necessary experience. The majority of the personnel in the companies are either new graduates from universities and colleges or new employees who lack special knowledge and skills. These employees lack the specific job related knowledge and skills required to effectively maintain programs of most organisations. This situation has resulted in poor trouble shooting and problem solving skills resulting in constant program failures.

This problem signals a serious lack of formal institutional intervention to ensure that the knowledge, skills and experiences possessed by the few experts in Zimbabwean Multinationals are shared with the novice personnel. There is a great need for the Multinationals in Zimbabwe to adopt strategies that ensure that the few skilled and experienced personnel facilitate the development of other team members in order to improve their performance. The most appropriate and effective way could be to establish formal mentoring programmes as a strategy to ensure that personnel share and build knowledge banks within their organisations. The approach will promote the creation of a culture of on the job learning, team play and continuous development and improvement. This helps organisations to improve on a continuous basis in order to compete effectively on the global market (Kobayashi, 1995; Mann, 2000).

The other challenge facing MNCs operating in Zimbabwe is that due to the current economic meltdown and over a period since this began, head offices of the MNCs 'ring-fenced' the Zimbabwe operations and these strategies in most cases resulted in negative effect on local staff development as the locals were also 'ring-fenced ' in as far as their personal development was concerned.

1.3 RESEARCH OBJECTIVES

This study seeks to achieve the following objectives:

1. To evaluate corporate strategies in developing local talent
2. To determine and analyse the challenges encountered by the multinationals in developing local talent
3. To establish benefits that come with development of local talent
4. To recommend supportive culture for the growth of proper talent in Multinational organisations

1.4 RESEARCH QUESTIONS

1. What are the corporate strategies in developing local talent?

2. What are the challenges encountered by the multinationals in developing local talent?
3. What are the benefits that come with development of local talent?
4. What can be the supportive culture for the growth of proper mentoring processes in Multinational organisations operating in Zimbabwe?

1.5 RESEARCH PROPOSITION

Most companies in Zimbabwe serve for some multinationals and a few large local corporates, do not have structured talent development programmes and therefore have no mechanism of utilizing the talent within them to maximum capacity as talent management is not enshrined in organisations' business strategies, nor are there any innovative and effective strategies in place to combat skills flight. Although MNCs may have these programmes in place failure to successfully translate the organisational culture negatively impacts on the ultimate performance of the multinationals.

1.6 JUSTIFICATION OF THE STUDY

One of the challenges of globalization is the fact that multinational organisations experience increasing pressure to become 'local'. Governments demand that they implement localization programs, and they themselves do recognize the commercial benefits, which include a better understanding of local customers and business environments. Therefore, there is a need to find out approaches that successful multinationals take to develop a high-quality local workforce and to select and groom local leaders in various regions. There should be strategies for developing local talent and underpinned by specific targets and accountability.

Differences in culture and the way life in other countries necessitate that managers develop international expertise to manage on a contingency basis according to the host country environment. Powerful, interdependent factors in that environment-political, economic, legal, technological, and cultural-influence management strategy, functions, and processes. This affects the productive of the organisation. Most managers have often underestimated the significance of cultural factors. Management should understand that

cultural sensitivity requires the ability to understand the perspective of those living in other societies. International managers can benefit greatly from understanding the nature, dimensions, and variables of a specific culture and how these affect work and organizational processes.

In Zimbabwe, the first dimension is that the prevailing unfavourable socio-political and economic environment has led to the exodus of qualified and experienced people to other countries. This situation has resulted in key personnel resigning from organisations in search of greener pastures in countries with stable political environments that are experiencing economic growth. The second is the continuous loss of employees through natural attrition such as retirement, resignations and death. The compounded effect of these factors results in high labour turnover that results in some multinational organisations losing experienced workers. The situation forces the organisations to engage new employees who in most cases lack the expertise and experience to manage culture, and also have real deficits in their key skills, career and life skills, time management and communication resulting in poor organisational performance. It is against this background that this research is undertaken with the view of establishing whether formal mentoring and coaching is being used as a tool to facilitate work place learning in the multinational organisations.

It is envisaged that the results of this research will provide insight and adequate knowledge on the principles and practices of developing local talent. This information could be used in developing multinational training practices that will facilitate the development of personnel in the sector and the country as a whole. The results of the study can also be generalized and help organisations and human resources development specialists to formulate strategies that will promote work place learning and the development of talent in multinational organisations. In this way, organizations like those in the sector will be able to facilitate total development of each individual, thereby unleashing the available human potential and talent.

This study is very useful to the implementers of human resources developmental strategies and corporate governance strategists in all industrial sectors of Zimbabwe. There is no guideline and limited literature on the management of talent in the industry thus this study seeks to fill the gap and provide a platform for future studies in the same area. The multinational industry will benefit from the conclusions and recommendations of this study. Other local companies will also benefit from the study as they may adopt 'best practices' from the MNCs. Furthermore the subject matter of the study, that is the employees of the MNCs as well as those of local companies may as a result of this study have opportunities to be exposed to international markets and best practices thus enhance their skills. The academic community is set to benefit from the platform set by this study and the findings that will come forthwith.

The government authorities may also use the findings for its planning purposes and hopefully review the effect of some of its policies that have negatively contributed to skills flight and may partner with the private sector to ensure there is a continuous pool of skilled personnel. The study will also benefit the government and companies to plan for the return of those skilled personnel in the diaspora who will return home armed with enhanced skills and to map strategies of harness the foreign currency remittances they make back home.

1.8 SCOPE OF THE STUDY

This study was conducted on the Multinational Sector of Zimbabwe. The respondents of this study are going to be drawn from the management data base of this sector. The study will be conducted in Harare because that is where most organisations in this sector have their head offices.

1.9 LIMITATION OF THE STUDY

The study limitations are as follows:

- (i) Some respondents (especially human resources personnel) were not willing to give accurate information as they considered the information to be strategic and confidential.
- (ii) Other respondents will not return the questionnaires due to the anti-questionnaire phobia. This will limit the usefulness of this study's findings as the sample was further reduced by non-response.

1.10 SUMMARY

The overriding element is that talent management should be shaped by business strategies by investing in and developing the knowledge, skills, behaviours and attitudes of an organisation's people so that their capability to perform and achieve results is improved. Talent management should be implemented at all levels and discernible in the organisation's human capital processes . Organisations are thus challenged to come up with innovative and effective strategies on selection, deployment, developing and retaining local talent. As Laabs (1996) stated, "the caliber of the people in an organization will be the only source of competitive advantage available to companies."

The paper is made up of five chapters. Chapter one presents the introduction of the study through the background of the study, statement of the problem, objectives of the study and the justification of the study. Chapter two reviews literature relating to the development of local talent by multinational companies. It highlights major principles and concepts of how multinationals are able to train local employees to match global standards. Chapter three focuses on the methodology and the methods used in collecting data and how that data was analysed, processed and interpreted. Chapter four presents and discusses the research findings. Chapter five looks at the conclusions and recommendations of the study.

CHAPTER TWO

2.0 LITERATURE REVIEW

This chapter presents literature on the management of local talent by multinational organisations. The chapter provides discussion of relevant concepts related to the management of local talent. Furthermore, the chapter reviews literature from previous studies concerning multinationals and how they manage local talent.

2.1 INTRODUCTION

Multinational organisations require integrated policies that pay particular attention to leadership more than management initiatives, cultural imperatives rather than policy and lifelong development instead of training programmes. At a strategic level the key requirement is for continuous learning to become a specific goal and culture of the organisation. This must be combined with a clear vision of where the company wants to go and what it wants to become. This vision needs to be shared throughout the company and employees need to “buy-in” to the company’s vision to build a unity of purpose. It should be outward-looking, as most of the drivers for organisational change will come from the external environment.

In a learning organisation the creation of new knowledge and learning partnerships should be seen as central to the work of the business, not the exclusive province of research and development. The ability to transfer knowledge effectively and omnidirectionally throughout the organisation is also an important source of competitive advantage. Drucker (1992) stated that: “knowledge is the primary resource of competitive advantage for individuals and the economy overall”. If this is true then the creation of new knowledge must be a key process for both organisational learning and organisational effectiveness. Equally, if knowledge is a valuable resource, then the need to share it, to deliberately communicate it to the entire workforce, becomes apparent. Going further, if

knowledge is so important (and few would disagree with this assertion) then there is much to be gained by sharing key information with customers, suppliers and distributors. This sharing of knowledge has many advantages, not least the open access the company gains to the knowledge bank of customers, suppliers and distributors in any such reciprocal arrangements.

The creation of knowledge repositories is important to all organisations, as measuring something is only one step towards managing it. Organisations typically have a lot of knowledge scattered around in a variety of databases, in people's heads and in their filing cabinets. The aim of knowledge management is to make it more widely available through the use of knowledge repositories and to prevent people from needlessly having to rediscover or reinvent something that already exist. Organisations achieve this by setting up central libraries and/or interactive databases using groupware systems. After an important intervention the lessons learned are documented on the database for the benefit of anyone wishing to conduct a similar exercise.

Before an organisation can hope to take advantage of learning opportunities it must undertake comprehensive and systematic demographic training and development initiatives to overcome the deficiencies across its workforce. For the new social contract between a multinational learning organisation and its workforce to function effectively the company must invest in training in multiples of its training budget not percentage increases. In the new marketplace for talent, organisations must provide opportunities, resources and rewards for the continual development of their workforce or risk losing their greatest competitive asset (Aubrey and Cohen, 1995). Increasingly information technology and computers are becoming the single most important way for companies to create knowledge repositories and encourage learning. Sillince (1995) suggests that knowledge and understanding are critical factors for learning initiatives and that information technology, particularly group decision support systems, can be very effective in transferring such information. The creation of online databases detailing employees' expertise or the widespread use of electronic mail encourages and facilitates knowledge transfer. Companies like British Airways have realized the benefit of creating

global human resources management systems thus ensuring up to date information on employee details, capabilities and locations.

Turning to address the cultural dimension, we can see that culture is one of the, if not *the*, key determinant(s) of whether the organisation can practise organisational learning effectively. Without a culture of excellence that encourages learning and does not attribute blame to individuals who make mistakes, no organisation will be able to become a learning organisation. As Lundberg (1996) states, “organizational culture both fuels and fosters learning in organizations, as well as learning by organizations. Managing for learning by members across the organization is similar to managing with and through culture”. The process of socialisation in organisations, through which individuals learn to conform with organisational norms and practices, is a major source of learning and a key influence of culture on the learning process. Indirectly, however, culture impacts, to varying degrees, on all other aspects of organisational learning and indeed all other aspects of organisational life.

This improvisational approach to creating a learning organisation means that those advocating a “one right way” leave organisations dangerously open to the wide range of circumstances in which their ideas simply do not fit. The characteristics of organisational learning must be broadly defined and left open for interpretation by managers in their particular organisational context. For some managers, organisational learning may be seen more as aspirational of what can be achieved, given ideal conditions, than as a prescription for how to manage their business more successfully. This is not to say, however, that the characteristics identified here are not meaningful in a general sense. Their value is enhanced by the fact that they have been created from evidence gathered from successful multinational organizations www.gmacglobalrelocation.com (12 November 2006).

2.2 NATURE OF GLOBAL BUSINESS

Globalisation does not just mean conducting business across national borders. It also means expanding competition for almost every type of organisation. Today’s executives

must understand that they face foreign competitors as well as local and national ones (Robbins, 1997). Such globalisation of multinational organisations presents management with the challenge of learning to operate in diverse cultural settings, as mentioned earlier in this chapter. Globalisation of the business environment is increasing the competition faced by managers on a daily basis. Improvements in transportation, logistics and communication systems have ensured that these trends towards globalisation continue and provide producers around the world with access to the same markets. Consumers now have wider choices and are becoming more sophisticated in their selection of products and services. They expect new and improved products, superior service and lower prices (Drucker in Hammer and Stanton (1995). The two major forces driving globalisation have been market growth and cost reduction initiatives. If an organisation wishes to gain market share, expanding operations outside its national borders is one such strategy. In recent years both trade and political barriers have been lowered or eliminated altogether by the creation of multi-country trading blocs such as NAFTA, EU and the Asia-Pacific Economic Co-operation group.

Many multinational organisations have also been motivated to expand beyond their national borders in order to gain cost advantages over rivals. The fact that many Western multinational companies manufacture products such as electrical goods and textiles in Southeast Asia can be explained largely in terms of lower labour costs. More recently, but particularly since the fall of the Berlin Wall, both North American and EU multinationals have refocused their attention on Central Europe to exploit its low cost, high skill workforce. The kind of problems that companies encounter during change initiatives can be likened in learning terms to multinational organisations trying to model themselves round change initiatives. One must be committed to the idea of a learning organisation as a way of releasing people's energies and talent. However, organisations must frame this only in the broadest of terms, as a rather "fuzzy" vision (Pettigrew *et al.*, 1992). In learning theory terms, fuzzy visions retain an ambiguity. This encourages people to use creativity in interpreting them, but also compels them to try to resolve the cognitive dissonance which ambiguity creates, especially in an innovative environment.

2.3 THE ROLE OF THE PERSONNEL/HUMAN RESOURCES FUNCTION IN MULTINATIONAL COMPANIES

2.3.1 What the corporate personnel function does

Corporate personnel/HR departments play significant roles in monitoring the implementation of corporate HR policies throughout overseas subsidiaries. Many multinationals, even those espousing a decentralised structure, have corporate policies on a range of HR issues such as health and safety, pensions, management succession and development etc. Corporate policies on health and safety can be significant due to the dangerous nature of the manufacturing process as in steel or shipbuilding and to cost and adverse public relations in the case of oil companies. Corporate personnel departments invariably hold company worldwide and regional HR meetings to help promote understanding of new corporate policies and their dispersal throughout their subsidiaries. In the light of host country environments (e.g. differences in local employment law, trade union presence, national culture etc.) within which subsidiaries operate, modifications can occur in the application of corporate policy.

Moreover such corporate HR meetings are not wholly top down dissemination of policy. They are a forum in which subsidiaries are encouraged to raise issues with the corporate HR directorate. HR policies developed within a host country subsidiary can be evaluated at regional and corporate meetings for their potential application throughout a region or the whole MNC. The need for corporate direction and control combined with looser organisational structures, including dispersed centres of excellence within MNCs, facilitated by increased inter-personal networking via project teams provides an important opportunity for corporate level personnel departments to grow their power and influence by contributing to strategy formation and implementation.

2.3.2 Changing management style and the significance of project teams

Many commentators (Dooley and Fryxell, 1999; Katzenbach, 1998; Aram and Cowen, 1995) have highlighted the shift in top executive teams towards more open and participative management styles. This has been explained by the greater complexity and

pace of change experienced by modern business in the international arena, by decentralisation in some companies and also in the case of the UK by reports such as Cadbury (1992), Greenbury (1995) and Hampel (1998) recommending greater transparency in board activities. As a result of increasing complexity executive groups have developed large numbers of project teams, both functional and multi-functional, which research and develop ideas, bringing them to the executive group for discussion before the formulation of policy/strategy which, when agreed, is forwarded to the main plc board for approval.

Corporate personnel/HR has a significant role selecting project teams as a major means of tackling management problems in fluid and less hierarchically structured organisations. They also can act as an integrating mechanism for the global company. These network arrangements involve nationals from different countries requiring the CEO/MD Executive Group to give attention to geocentric or regiocentric personnel policies in staffing and development (Nagai, 2000). An illustration of project teams at work is that of a switch control US-owned multinational that employed 53,000 people, including 13,000 in Europe, in 95 countries. This company continuously put project teams together to solve management problems and to assist with the personal development of managers. For the company it was important that managers were exposed to different country cultures and developed interpersonal understanding by working with people who often saw things differently to themselves. Hence multi-project groups existed across business units, functions and regions of the company. This network of personal relations, developed through project teams, facilitates communications in complex and fluid organisations (Dowling *et al.*, 1999), lasting long after the temporary project group has been wound up, and thereby helping to build a cadre of international managers.

2.4 CROSSING HUMAN CAPITAL OF NATIONAL BOUNDARIES

Multinational companies (MNCs) increasingly dominate the world's markets, and are playing a central role in the globalisation of economic activity. In turn, internationalisation of markets for products and services is requiring multinationals to

develop new forms of trans-national management organisation. Among these the ways in which MNCs manage their personnel on an international scale are increasingly viewed as critical to the success of globalising strategies (Bartlett and Ghoshal, 1989). A substantial body of literature examining the transfer of “best practice” in MNCs has been generated, reflecting the significance attached to the effective management of people across national boundaries for MNC performance (Hofstede, 1980, 1997; Bartlett and Ghoshal, 1989; Adler, 1986; Adler and Ghadar, 1990; Yuen and Kee, 1993; Guest *et al.*, 1996; Ferner, 1997; Edwards and Ferner, 2000). However, none of these studies concerns MNCs from developing countries operating in developed countries. It seems reasonable to suppose that the process of transfer may be different. Chinese MNCs for example, used to operating in a domestic arena characterised by a centrally-planned economy, have had to learn new “rules of the game” in their internationalisation process. In this context they are likely not only to adopt local “best practice” when they operate in a developed country, but also may transfer it back to the home firm. Hence, there is a good case for investigating whether and how this kind of transfer of management best practice is taking place.

2.4.1 National differences and the transfer of best practice

The transfer of HRM practice in MNCs at society level is believed by some to be fundamentally shaped by a nation's competitive position in the global economy and its level of economic development. It is argued that the transfer of management practice is necessarily associated with technology or related product process transfers. (e.g. Beechler and Yang, 1994; Edwards, 1998; Edwards and Ferner, 2000).

2.4.2 Expatriate Manager Development

Samuel L. Elkins (1992) the performance level of expatriate managers working in different cultural environments is a daunting challenge. Using developmental tools available to facilitate the adjustment of these expatriates may help. Companies must

determine what critical work values their expatriates need prior to their arrival in the host country. Embedding mechanisms that encourage feedback-seeking behaviors is also essential for success. Job barriers and inherited problems need to be identified and clarified for all new expatriates so they can understand the developmental challenges they are likely to encounter. Finally, expatriates need to acquire and develop strong perceptual skills as well as basic managerial skills. These perceptual skills are improved by developing language, demeanor, personal values, and reference schemas from which they can learn new concepts.

2.4.3 Sustaining Motivation and Productivity during Significant Organizational Change

Mary T. Pellak (1998) asserts that organizations increasingly experience periods of intense change. Much of the change is due to evolving technology, globalization, and reductions in work force. Intense change can have a negative impact on employee motivation and productivity. Decreased productivity often results in compromised organizational performance. An important influencing element can support both the employee and the organization through intense change: the manager. Empathetic managers can assist their people through difficult transitions by actively addressing their concerns. This article focuses on ways a manager can identify problems with employee motivation and productivity and address those issues in a supportive manner. During significant change, managers who set clear expectations, openly communicate what they know about the organizational change, and support and recognize employee efforts will facilitate the organizational transition.

2.4.4 Transferring the Soft-Skills Technology of Workplace Learning and Performance

Jenny Yan, William J. Rothwell, and Lois Webster (1992) reiterated that, if your organization does business internationally, how do you hire professional local talent

when no colleges in the country offer majors in the field we now call workplace learning and performance (WLP) and no local vendors conduct public train-the-trainer seminars?

2.4.5 Start at the Very Beginning: Performance-Centered Portals

Gary Elsbernd (1998) argued that portals are popping up everywhere, but most are not designed to create or support individual and organizational performance. Performance-centered portals differ from commercial, learning, and even traditional corporate portals in that they focus on supporting the goals and objectives of a company within an integrated work environment. By using performance-centered design attributes such as establishing and maintaining a work context, aiding in goal establishment, and structuring work processes, designers can develop portals that directly support superior performance at all levels. These portals can be designed in stages. Companies must start by collecting what they have. Next comes collecting new information and providing for continual maintenance of the knowledge. Then comes integrating internal tools and positioning the portal as a tool for collaboration. When the portal is used to provide focus for a company, that company has a tool that increases performance and productivity.

2.4.6 Interpersonal Skills Training: Online Versus Instructor-Led Courses

Managing conflict, negotiating and coaching. These are examples of highly desired and valued skills in today's corporate world. They share a common characteristic: people working together effectively with other people. Skills of these nature-interpersonal skills-are difficult to master and are thus the subject of many corporate training initiatives. This article compares the instructional methods used in a sample of interpersonal skills training courses delivered online to the methods used in a sample of similar courses delivered in a live, instructor-led classroom setting. Results indicate that different methods are used in each delivery mode, with a greater variety of methods being used in the instructor-led courses. The online courses appear to be geared more toward knowledge acquisition than skill application, while the instructor-led courses focus both

on knowledge acquisition and skill application. This has important implications for performance improvement professionals who are responsible for selecting and designing interpersonal skill training interventions (Erika R. Gilmore and Paula J. Fritsch, 1999).

2.4.7 Measuring Corporate Readiness to Implement Distance Education

Many corporations have a need to train thousands of people in different locations. Distance education programs are attractive to corporations because they can provide significant cost savings. Distance education can also provide a competitive edge by offering customized training on site. Distance education can be very effective, but the organization must be ready to support the program design and implementation. Poor instructional design and lack of managerial support can sabotage a distance education program. Development costs can be substantial, and learners have rejected some expensive computer-based training programs. Corporate readiness should be carefully evaluated before a corporation embarks on an extensive distance education program. The article examines distance education issues and offers a measurement tool to assess corporate readiness for distance education (Joan Friton Slick, 1996).

2.5 BEST PRACTICES IN TALENT MANAGEMENT

2.5.1 What is global Talent Management

Talent management comprises the integrated processes and programs companies use to create and deploy an effective workforce. Companies have been concerned with many of these processes, one supposes, since the dawn of capitalism, but with globalization of the modern business firm has come a greater need for some level of centralization, consistency, and integration in their application.

Like everything else, the talent management system derives from the organization's business strategy. Once that strategy is set, the company needs:

- Workforce planning, to determine the competencies and skills it will require, taking into account demographic, social, economic, and educational trends.
- A staffing strategy, a map to guide the organization in its efforts to fill the gaps between its existing workforce and the workforce it needs to achieve its business strategy. The staffing strategy must identify existing resources, find sources for needed talent not already resident in the organization, and develop an employment brand and recruiting tactics that will attract that talent. This task becomes exponentially more complicated when the company has to rationalize its staffing strategy on a global scale, as more factors enter the equation: relative costs, flexibility, and availability of labor; expatriate assignment costs; knowledge-transfer requirements; and familiarity with local markets.
- Talent identification and gap analysis—evaluating performance and potential of individuals and determining where the organization and individuals are lacking core capabilities.
- Development programs to help individuals gain the skills and competencies required for the company to meet its goals.

2.5.2 Outline of the Talent Management Process

Every day companies face decisions at the corporate, business unit, regional, and local level about how to acquire and utilize talent in the most effective—and cost-effective—way. The degree to which these and other talent management questions are handled consistently throughout the global firm varies greatly. In most European and American MNCs, however, the talent management process shares a typical framework and some common features. The process usually rolls up from local or lower-level units. Typically, the cycle begins at the location or departmental level, with an analysis of staffing needs for some time period into the future and a review of talent in that unit. The information is passed up to the larger geographic, business line, or functional unit, and from there enters the corporate talent review process.

Corporate talent reviews are the mechanism for managing the “corporate asset” talent group—those individuals expected to make significant contributions to management at the corporate level and whose careers therefore warrant oversight by the headquarters. Generally held on an annual basis, these talent reviews involve the CEO and his or her senior management team as well as the corporate GTM leader (if there is such a position), or the head of HR.

The core of the process is a meeting at which each geographic, function, or business unit presents its needs analysis, identifies individuals considered to be key or high potential, and recommends promotions, transfers, and development plans. When it works best, the talent review meeting is an open forum for debate and negotiation through which senior management gets to know key individuals, works out how those people will get the experience necessary to test and train them for the next level of responsibility, tracks performance issues, and ensures a free movement of talent across the organization. During the discussions, the senior management team works out a common vocabulary and set of criteria defining the capabilities required of the next generation of global leaders and sets GTM policy and strategy, all of which cascades back down the organization.

2.5.3 GTM Responsibilities and Structure

According to the study, level of CEO involvement positively correlates to effectiveness in a number of areas:

- Overall GTM performance
- Developing high-potential managers currently at a level one or two promotions away from the top tier of the company—defined in the IRC survey as level II
- Continuing to develop abilities of level II managers who are capable careerists, defined as solid performers but not designated as high potential
- Developing managers who consistently demonstrate company values

- Identifying high-potential senior managers from smaller markets outside headquarters or economically dominant locations.

2.5.4 Training programmes

Most preparatory training emphasizes the ability to understand and adjust (Black and Mendenhall, 1990; Brewster and Pickard, 1994). The areas for which pre-departure training is required are wide-ranging. Shen and Darby (2004) have pointed out that international training should take into consideration of the host-contextual factors, including political, legal, economic and socio-cultural aspects. Host-contextual factors affect international training programmes and methods. Mendenhall and Oddou (1985) proposed three critical areas in which organisations should prepare their employees: cultural training, language instruction training and orientation training on familiarity with everyday matters. Dowling *et al.* (1999) suggest that training programmes should also cover areas of ethical concern, such as bribery, human rights, justice and the common good. Many authors also state that the components of training programmes should vary according to country of assignment, type of job, duration, purpose of transfer and the time available (Tung, 1981, 1982; Mendenhall and Oddou, 1985; Brewster, 1988; Baumgarten, 1992; McDonald, 1993; Dowling *et al.*, 1999.) Osman-Gani (2000) suggested that host country subsidiary-partner personnel are the most effective and qualified people to provide the necessary training because they are familiar with the conditions and environment of the host country and hence in the best position to impart the necessary knowledge and skills to the expatriates. In-house or company personnel are the next most effective trainers. University or academic professionals are the least effective training providers.

In reality, according to Lanier (1979), on top of the fact that most of the companies provide only brief environmental summaries and some culture and language preparation, mainly concentrating on the development of technical competence and other job-related skills. Tung (1982) identified six major types of cross-cultural training used by US,

European and Japanese companies, which include: environmental briefings to provide information about geography, climate, housing and schools; cultural orientation to familiarise the individual with cultural institutions and value systems of the host country; cultural assimilators using programmed learning approaches designed to expose members of one culture to some basic concepts, attitudes, role perceptions and customs of another culture; language training; sensitivity training to develop attitudinal flexibility; and field experience, which sends the participant to the country of assignment to undergo some of the emotional stress of living and working with people from a different culture. Brewster (1988) found that the emphasis placed by European multinationals on language training was stronger than that of US multinationals.

The major preparatory training method used by Chinese MNEs is in-house training by senior managers or external academics. Other methods, such as reconnaissance visits prior to taking up actual duties abroad, probation, interviews with senior executives to clarify the objectives of the assignment or employing outside consultants, are not used. Extensive discussions with previous and current expatriates knowledgeable about the host countries are hardly used either. Chinese MNEs usually provide the same training programmes for all expatriates irrespective of assignments/or levels in spite of the need for different emphases. A small number of Chinese MNEs have established their own “universities” for employee training and overseas training centres. Chinese MNEs generally do not systematically analyse employee-training needs or consult line managers or expatriate themselves, or analyse expatriates’ performance in making decisions on training.

Moreover, many authors emphasize the importance of involving spouse and family in pre-departure training because the inability of the manager's partner to adapt to a different physical or cultural environment is a major reason why international assignments end in failure (Tung, 1981; Black and Gregersen, 1991; Baumgarten, 1995; Osman-Gani, 2000). However, according to Mendenhall *et al.* (1987), in 80 percent of the cases where training is provided, partners are not included in the training programmes. Welch (1994) stated that MNEs placed less priority on providing pre-departure training for the spouses

and families. A study on international training in Chinese MNEs by Shen and Darby (2004) lends support to Mendenhall *et al.* and Welch.

2.5.5 International management development

Many commentators suggest that MNEs develop human development-related HRM strategies and innovative development approaches to attract, retain and develop top international executive talents (Moynihan, 1993; Kopp, 1994; Scullion, 1994; Baumgarten, 1995; Youndt *et al.* 1996; Dowling *et al.*, 1999). Youndt *et al.* (1996) have pointed out that forward-thinking firms tend to use human development-related HRM strategies and have better outcomes as a result. The negative effect of poor management development is obvious. According to Dowling *et al.* (1999) turnover among repatriates may be a consequence of a perceived lack of career advancement on the basis of international experience. As Scullion (1996) has suggested, it may be difficult to recruit local managers with much talent if they feel they will not have the opportunity to undertake major roles in the company.

Kopp (1994) suggested that MNEs should build a centralised personnel roster tracking managerial talents throughout the world. Dowling *et al.* (1999) argued that MNEs should commit to individual development security by forming a well-developed systematic repatriation system, and career and succession planning. Linking international experience to management development is also important, as Forster (2000) argued: “International experience has traditionally been an essential stepping-stone to senior management in many Western multinational companies”. Many authors agree with the view that an effective international management scheme should include an analysis of the current international management pool, the future need for international managers, and a mechanism for developing and fostering a truly international management team (international oriented and diversified). MNEs should include HCNs and TCNs in international management development schemes, i.e. developing HCN managers through developmental transfers back to headquarters (Pucik, 1984; Doz and Prahalad, 1986;

lack thereof, but in the under-resourcing of knowledge transfer and organisation-wide learning initiatives.

The ever-increasing rate of development of world markets for products and services will guarantee that expatriate managers will continue to play an important role for the foreseeable future. The reality of global competition has thoroughly changed the manner in which managers traditionally think about organising and developing their operations (McGill *et al.*, 1992). Companies that cannot break the adaptive learning habit through technological innovation, fragmentation of market demand or the introduction of new organisational forms have no future. The ascendancy of knowledgeable employees demands that organisations take greater account of learning. Organisation-wide learning is the key to combating the rapid obsolescence of technical skills (Barner, 1996). Although organisational learning occurs through individuals, it would be a mistake to conclude that it is nothing but the cumulative result of their members' learning. Organisations do not have brains, they have cognitive systems and memories. As individuals develop views and ideas, so too will organisations develop greater understanding and ideologies (Hedberg, 1983). However, in order to understand how individual learning becomes organisational one must examine the learning characteristics identified:

Organisational learning is a precondition of organisational effectiveness in that it facilitates organisations or groups to attain and maintain superior performance by giving them the capability to regulate themselves towards effectiveness (O'Keeffe, 2001a).

Companies that do not have a clear understanding of how far along the various learning curves individuals and teams have progressed are not learning organisations. Effective utilisation of advanced technology is determined as much by an organisation's record of training and development as by any new-found desire to be the best. Unlocking the knowledge resources of an organisation is vital for its long-term survival, yet only a handful of organisations have found the key that opens the door to effective knowledge diffusion and success (O'Keeffe, 2001a,b). However, some commentators believe that those organisations that are developing company-wide learning programmes are

stimulating their employees to take better advantage of the status quo, while others argue that the aspiration of becoming a learning organisation is not only necessary but essential for long-term survival and the rate at which individuals and organisations learn may become the only sustainable competitive advantage.

2.5.7 The use of Human Capital by Multinationals

Up until recently manufacturing resources were determined on the basis of capital, land, labour and business acumen. With the advent of the vast array of technological developments, new management practices and systematic staff development initiatives, the importance of capital and land is diminishing, while, at the same time, labour and, in particular, intellectual labour have generated a very powerful influence across all media including high technology. Graham (1996) stated that for several decades the world's most prescient observers of societal change have predicted the emergence of a new economy in which intellectual prowess, not machine capability, would be the critical resource. Drucker (1992) suggests that capitalism is effectively dead; while this may be going a little too far, the conjecture implicit in his statement is more readily acceptable now than when it was first stated. A decade earlier Peters and Waterman (1982) established the organisational significance of each employee within a company irrespective of size. They suggest that in excellent companies employees should be identified as a key resource. Their research showed that "excellent companies were, above all, brilliant on the basics. Tools didn't substitute for thinking. Intellect didn't overpower wisdom. Analysis didn't impede action. Rather, these organisations worked hard to keep things simple in a complex world." They demanded the highest quality and they fawned on their customers. They listened to their employees and treated them like adults. They allowed their innovative product and service "champions" enormous leeway and they allowed some chaos in return for quick action and regular experimentation (Peters and Waterman, 1982, p. 13).

The importance of intellectual capital as a key factor in the performance of organisations is revisited by Peters (1992), as was the idea that knowledge also is a meaningful source of sustainable competitive advantage. He argues that the ability of individuals must be liberated and, while strategy, organisation and processes are important, it is the workforce that is the means and *force majeure* of organisational success. Handy (1981) agreed it is fashionable to speak of the human assets of organisations; even though people do not appear in the balance-sheet they are assets in that they are or should be a productive resource. "A resource that needs maintenance and proper utilisation, that has a finite life and an output greater than its cost". He has consistently argued that employees are the core assets of organisations (Handy, 1989).

Developing an organisation's intellectual capital is a process of continuous experimentation embracing ideas that come from customers as well as from employees in other divisions and other companies. To learn from others, managers must continuously scan their environment for opportunities to develop new products or services quickly and cost-effectively (Slocum *et al.*, 1999). Inaction not only slows down the decision-making process it hinders creativity. Ideas and imagination wilt in a bureaucracy and flourish in an atmosphere that fosters speed and mental agility (Barrett, 1995). Globalisation of knowledge, together with the rapid evolution of the operating environment, is the new challenge facing organisations today. Knowledge rather than capital, labour or natural resources is the intangible resource that will play a central role in tomorrow's successful organisations. Knowledge is dynamic and contingent on the organisational environment. Thus, it is no surprise that "the ability to learn faster than your competitors may be the only sustainable competitive advantage" has been frequently paraphrased by executives and scholars alike (DeGeus, 1988, p. 71).

Knowledge-driven organisations (not to be confused with IT-intensive or dot.com companies) are typically forward-looking, thus reducing the frequency and magnitude of major shocks, environmental uncertainty and strategic paralysis (Sinkula, 1994). Also, as knowledge-driven organisations have extensive relationships with customers, suppliers and other key constituents, mutual adjustment can be more easily facilitated, whenever the unexpected occurs (Webster, 1992). As a consequence of its inherent flexibility, a

knowledgeable group can reconfigure its architecture quickly and re-allocate appropriate resources to the emergent opportunity or threat. The ability to learn and adapt quickly in changing environments has allowed many organisations to reinvent themselves and compete effectively (Loomis, 1993). This notion concurs with Day (1994) that a superior ability to learn is critical due to the unprecedented acceleration of market and technological changes. The explosion of available market data and the importance of anticipatory action in developing knowledge-based competitive advantage have become key concerns for leaders.

2.6 CHALLENGES OF MULTINATIONAL IN IMPLEMENTING STRATEGIES

2.6.1 Limitation from the Host Location

Many people are cultural chauvinists. They find it hard to appreciate that other nationalities have their own belief structures and that such beliefs are not necessarily inferior to those of the expatriate. Often cultural chauvinism leads to a misguided cultural evangelism that manifests itself in political, social and work-related behaviour personified by the familiar “cultural chauvinist” of the 1980s and 1990s. One of the most difficult concepts to communicate to expatriate managers, particularly those in charge of innovative product introductions, is that they have a primary duty of care towards efficient knowledge transfer leading to cost-effective organisational excellence. Transfer initiatives, be they knowledge or process, place huge demands on expatriate executives across a wide spectrum of activities. Expatriates are the people to whom the host country staff turn in times of difficulty and as such must demonstrate superior reflectivity, communication skills, commitment, dedication, energy and flexibility towards the initiative at all times (O’Keeffe, 2000).

Expatriate managers must realise they are guests in the host country with its own distinctive value system; consequently actions and behaviour are determined more by the host culture than by past experience. This cultural dilemma is made more complicated in places that on the surface do not seem to be dissimilar, e.g. Ireland and the USA. Briefing

sessions for both the expatriate and his family prior to taking up the foreign posting are an effective means of communicating the differences in values, attitudes, religious beliefs, traditions, sensitivities and customs. Studies such as Hofstede *et al.* (1990) and O’Keeffe (2001a) identify areas of potential conflict and explain how different value systems and perceptions can influence both work and non-work activities. The key to ensuring expatriate managers, particularly US, are ready for a foreign posting is in introducing the individual or families to the host country through books, films and newspaper articles together with knowledgeable individuals available to answer all questions and concerns as they arise. US expatriates, according to research carried out by O’Keeffe (1984) and Tung (1987), have a one-in-three chance that their overseas assignments will turn out to be a mistake, while European and Japanese companies experience no more than a one in 20 chance that any foreign assignment will turn out to be a *faux pas*. Prior to departure expatriate families should visit and experience everyday life for an appropriate period at the chosen location selected for them by the parent company. This exposure to the host country culture though very expensive is easily justified if it saves just one family from returning home early from the assignment, never mind the huge costs associated with underperformance in the workplace, particularly if it involves a start-up or green-field project and the associated costs of finding a suitable replacement.

2.6.2 Culture barriers

Culture is easier to recognise than to define as it involves a complex set of interrelating elements that influence beliefs and life style. A nation’s culture represents a collective frame of reference through which a wide range of issues and problems is interpreted. Culture affects what people do, when they do it and how decisions are arrived at on a host of different issues. Culture shock, on the other hand, can be explained without reference to a particular culture – it is the perceived differences between what is accepted as logical behaviour in one’s own culture and that of the host country. It may be useful to highlight the unintentional offence that can be given by practising everyday routines of one’s own

culture in a host country with very different values (Hofstede, 1993). It is important for expatriates to realise that, no matter how well they or their families are prepared for their assignment, each member of the group will experience varying degrees of culture shock in their own unique way – no one can escape it. Nevertheless, expatriates must be trained to recognise the tell-tale signs in themselves and one another. Culture shock is cyclical and does not come in one short, sharp burst; it can manifest itself in a multitude of cloaks at different stages of the expatriate's tour. Being able to recognise the various manifestations of stress and culture shock in one another is the first step in retaining the effectiveness of the expatriate team.

Drunkenness, boredom, extra-marital affairs, failure to adjust to new physical or cultural surroundings are all part of the pattern of culture shock. These behavioural manifestations are very difficult to surface even for the most experienced human resource practitioners and are probably more easily dealt with in the context of a review seminar run by an external agency. It is vital that a well thought out policy is established before the selection for overseas duty is made, so that issues such as emotional immaturity, technical competence and the motivation behind the acceptance of a foreign assignment are properly evaluated (O'Keeffe, 1984, p. 153). All organisations planning to relocate, particularly to another continent, should thoroughly understand the local practices that are at odds with their own cultural imperatives. One of the easiest ways of achieving an appreciation of the indigenous culture is to ask other multinational organisations that have already established a presence in your preferred location. Collectively, family and personal adjustment problems, not technical competence, are the main concerns for executives on foreign assignments (Kreitner *et al.*, 1999).

2.6.3 Cross-Cultural Understanding

Another area capable of generating additional difficulties is that of perception, as it varies not only across cultures but from one person to the next. Expatriates endeavouring to come to terms with perception require superior patience, reflectivity and a sense of humour, as the following example exemplifies. A young lady ordered an open sandwich

and coffee after a round of golf; however, when the order was placed on the table she asked the waitress what meat was used to garnish the sandwich, to be informed it was tongue. Pushing the plate away, the lady exclaimed, "I could not eat something that has been inside a cow's mouth. I will have an egg instead" (Huczynski and Buchanan, 1991).

In order to understand others, individuals must first understand themselves but all too often in organisations position or power barriers prevent people from expressing their true feelings about one another. There are also cultural constraints which inhibit the public expression of emotions, at all levels in organisations. In order to establish a successful work ethos in another culture or engage effectively with representatives of another culture, one must understand their value systems, expectations and perceptions. Understanding these issues is critically important for expatriates in professional and executive managerial positions, particularly in large multinational organisations that have to operate in increasingly dynamic environments in which intellectual capital, effective knowledge diffusion and organisation-wide learning processes are becoming the only sustainable sources of competitive advantage www.mckinseyquarterly.com (02 November 2006).

Investing in local talent may also address a lot of issues related to culture shock and culture chauvinism. If time and energy is pent on investing in local talent the benefit realized is two way. The employees will feel valued and appreciated thus give back much more to the company. The local employees also have vested interest in staying in their home area and have roots in their communities. If they are strong performers the company benefits from their productivity. www.gannett.com/career/gannettsuccess

The realities of global competition and increased customer sophistication have focused organisational attention on the need to integrate technological development within a "learning culture". While much has been written on the importance of evolving a "learning culture", less attention has been given to understanding in a practical way the demands advanced technology places on organisational systems. There is a growing realisation that long-term organisational success is more dependent on the manner in which an organisation exploits its intellectual capital (O'Keeffe, 2002) than on any state-

of-the-art technological interventions. Organisations deploying advanced technology must understand that the interface between machine and man is where most concerns arise and the manner in which such difficulties are managed will influence the real value of advanced technological interventions (O’Keeffe, 2001b). Stiff foreign competition and sluggish productivity growth are influencing the way goods and services are being delivered in the developed world. However, even though advanced technology and automation are increasingly redefining operational imperatives by slashing cycle times and simplifying retooling procedures, yet no one fully understands what the effect of this technological displacement will be on organisational members. It is estimated that automation will influence as much as 50 per cent of all jobs in the immediate future but will not bring as much unemployment in its wake as was predicted a few short years ago. However, those affected will be faced with the choice of retraining for new jobs or seeking positions in other sectors. Three-quarters of all jobs in which people will be engaged by the year 2020 have not yet been invented; therefore institutions of government industry and education will have to achieve greater integration if tomorrow’s employees are to be ready to avail themselves of the opportunities in this new automated and dynamic environment.

2.6.4 Dissatisfaction with the Traditional Management Paradigm

Organisations by their very nature are multidisciplinary, a condition in which learning is a separate but critical element. It is the performance of the overall organisation that determines its survival; therefore it is necessary to retain control, ensure acceptable standards are sustained and that the necessary actions are being taken to correct deviations from agreed standards. Drucker (1993) contrasts the notion of need for control in modern organisations with the development of information technology and increasing numbers of “knowledge employees” who are less likely to respond to autocratic management. Rather he sees employees seeking opportunities for challenge, as well as outlets for creative ability, while enjoying the stimulation of working with like-minded individuals.

The control process cannot measure everything; therefore it is difficult to establish exactly what should be measured. The difficulty with control processes, particularly for expatriate managers, is that they focus attention on whatever criteria are chosen, which in turn leads to inflexibility through individuals defending their actions by pointing to satisfactory performance on the agreed measure (Huczynski and Buchanan, 1991, p. 588). Tying economic needs and interests of employees to organisational performance is a much more effective control process. Employee commitment may also be controlled by mobilising their professional allegiance towards the work they do best, like to do most and by positioning their energies and skills so that they are continuously available to the organisation (Blau and Schoenherr, 1971).

One year earlier Toffler (1970) presaged the dissatisfaction, uncertainty and concern felt by many executives today. He coined the phrase “future shock”, which he describes as “the shattering stress and disorientation that are induced in members by subjecting them to significant change in too short a time frame”. It is becoming more apparent that executives as well as staff are experiencing “future shock”; they are increasingly dissatisfied with the established management paradigm and its ability to cope with the rate of change that has already occurred, never mind the changes that will happen in the future. This dissatisfaction is one of the key drivers for the development of a learning organisation and is articulated by Handy (1989) when he expresses the fear that “a world where the individual is left even more to his own devices, as the complexities of life and work develop outside the institutions of society, could be a world designed for selfishness”.

Although Handy’s hypothesis is concerned with change in an increasingly complex society and the idea that “the only prediction that will hold true is that no prediction will hold true”, he repeatedly returns to the detrimental effect of the changes that are presently occurring for both organisations and society at large. “Handy’s increasingly gloomy perspectives on the nature of employment and organisations are essential reading” (Crainer, 1996). Handy (1994) argues that organisational existence is increasingly dominated by a series of paradoxes. One such paradox is the way in which information technology, despite assurances to the contrary, has singularly failed to improve the

quality of life. Handy (1994) states that “if economic progress means that we become anonymous cogs in some great machine, then progress is an empty promise”. He further understands that, even though he has articulated the concerns and anxieties expressed, not only by him but by many others, he is unable to provide satisfactory solutions.

However, Peters (1992) identifies many of the same concerns as Handy (1994); where they differ is in their approach, as he offers a range of potential solutions from which the individual is free to choose those that are considered relevant to the situation at that point in time. Senge (1990) also recognised the inability of the traditional command and control management structures to motivate “knowledgeable employees” and this has led to the increasing importance of organisational learning. He believes the conventional bureaucratic process has the capacity to impede the capabilities of an organisation’s human resources by discouraging risk taking in preference to adopting the status quo, especially in situations where experience is valued more than performance. Dissatisfaction with the existing paradigm is creating an empty space in the control process, which the concept of organisational learning is endeavouring to fill. The concept of learning and knowledge transfer is attracting greater acceptance because it purports to overcome many of the concerns that have led to the discrediting of the traditional paradigm. As the pace of product, technology and market changes continues to accelerate, as learning organisations and competitors become more nimble, flexible and responsive to customer and industry needs, they not only rewrite the rules of effective strategy, they dispense with them altogether. With traditional sources of competitive advantage becoming more fleeting, conventional approaches to formulating and implementing organisational strategy will not provide managers with the skills and insights needed to compete effectively www.legacee.com (06 November 2006).

2.7 THE EXECUTIVE CHALLENGE OF MULTINATIONAL ASSIGNMENTS

Lifelong learning is now accepted as a *sine qua non* for business success and thus is an obvious part of a learning organisation. Tobin (1993) emphasises the need for learning organisations to be committed to quality, describing it as “a measure of the skills,

knowledge and abilities of the people involved in the learning effort". Interestingly, Lessem (1990) sees quality and learning as the two dominant factors in organisations, seeing learning as the process and quality the outcome. He fuses the two concepts to form a more fundamental concept for those interested in organisational learning, i.e. total quality learning. Again, this serves to emphasise both the importance of quality and its close relationship to organisational learning.

One of Senge's (1990) five "disciplines" of a learning organisation is a shared mental model. He asserts that you "cannot have a learning organization without shared vision". A shared vision is required to overcome the powerful forces supporting the maintenance of the status quo. Successful learning can only occur if it is undertaken in pursuit of a specific goal. A shared vision provides a picture of the desired future and a goal for which people can strive. A point argued by Hamel and Prahalad (1994) was that those "organisations that cannot imagine the future won't be around to enjoy it". Without a vision this image of the future will be hard to generate and even harder to share. Many organisations have visions but few have been successfully shared throughout the organisation. Creating a vision that is genuinely shared by all requires consistent, repeated communication from the top. Where a shared vision exists it can provide the necessary drive and excitement required to direct the organisation forward.

Stability for strategic change in self-directed environments transfers responsibility for career development from the organisation to individuals (Filipezak, 1996). Today's employees are becoming more concerned than ever with keeping current skills and developing new skills. They see learning as a lifelong process. At one time, a skill learned in youth could provide a living for life. Now new technology changes so rapidly that, as soon as you have learned something, that "something" becomes obsolete. In this climate, employees are increasingly recognising that "if you snooze, you lose". There will always be someone else out there, upgrading their skills and who are ready to assume your work responsibilities if you show signs of falling behind in understanding.

The strategic imperative of executive management is effective performance and co-ordination of the organisation's resources. Executives also perform the management

functions of planning, organising, leading and controlling as well as facilitating motivation throughout the company. Managers make decisions and then implement and evaluate these decisions. Successful managers in today's competitive business environment must possess a range of different skills including technical, conceptual, interpersonal and personal proficiency in oral, written communication, computer and critical thinking skills. Executive commitment is a process of working with and through others to achieve organisational objectives in a changing environment. Central to this process is the effective and efficient use of limited resources. An inability with people, not a lack of technical skills, is the prime reason why some managers fail to reach their full potential. A manager is efficient if he/she reaches a stated objective and effective if limited resources are not wasted in the process. In today's competitive and dynamic environment the way in which management practice responds to issues like globalisation, the evolution of product quality, environmentalism and ethical re-awakening will influence an organisation's long-term success www.amazon.com (10 November 2006).

2.8 LEARNING IMPERATIVES IN DYNAMIC MULTINATIONAL ORGANISATIONS

Learning organisations understand that excellent organisational results are built on successful, productive, empowered individuals. Learning organisations are aware of the delicate balance between the needs of the individual and the demands of the organisation. In other words there has to be equilibrium between production, on the one hand, and productive capacity, on the other. Once people have the capacity to produce excellent results they need to be empowered to ensure that they fully utilise that capacity. Traditional definitions of empowerment focus on the sharing of power with employees, thereby enhancing confidence in their own performance and belief that they are influential contributors to the organisation (Bateman and Zeithaml, 1993). Responsibility is pushed as close as possible to the point where actions are taken and decisions made. As the role of managers has changed from one of controlling and planning to one of coaching and leading, the need and the opportunity to delegate have increased.

Empowerment is little more than delegation built into the culture, so that, rather than being an occasional occurrence, delegation happens automatically everyday. Learning organisations realise that empowered workers can, in most circumstances, make better decisions than managers because they have access to the best information.

Team working is a central part of any learning organisation in that membership of a team is an excellent way for knowledge to be both shared and created within the firm. Teambuilding is a key method of combining not only the existing knowledge of a group, but also its abilities to create new knowledge. Team working involves effective working inside the organisation, while the associated idea of networking refers to teambuilding that takes place throughout the domain of an organisation's environment. Organisations benefit from effective teambuilding because it can deliver organisational synergy. Increasingly the accepted wisdom is that the traditional corporate structure, however de-cluttered or de-layered, does not provide the speed and flexibility needed in today's highly competitive environment. Team-based structures, internal and external, are the most commonly prescribed solution to the need for speed and flexibility. Watkins and Marsick (1993) go so far as to claim that "team learning is the key to building a learning organisation". They go on to say that, when a team adopts something new, members reinforce one another's thinking and spread these ideas faster and further through their combined contacts elsewhere in the organisation.

Katzenbach and Smith (1993) draw on their experience in a number of organisations, including 3M, in concluding that team working will be the principal building-block of company performance in the future. The earlier reported survey (O'Keeffe, 2001b) of 101 organisations in Ireland showed that 27 per cent experienced increased productivity from cross-functional team-building activities, while 18 per cent observed enhanced team effectiveness. While Grant (1996) argues, citing Imai *et al.* (1985) and Clarke and Fujimoto (1991), that cross-functional product development teams are not difficult to establish, he suggests the challenge for them is accessing the breadth and depth of functional knowledge that resides in individuals but which remains untapped.

Learning networks are less widespread than teams at present, but are likely to be used increasingly in the future, a process that will be accelerated by globalisation. Networking can bring organisational advantage with regard to speed, flexibility and focus in increasingly competitive marketplaces. In effect networking can create the advantages of a small company operating inside a larger one with all the benefits accruing to the larger entity. Hastings (1993) is one of the foremost advocates of organisational networking and he particularly emphasises the importance of knowledge sharing and diffusion.

Today's new work environment is increasingly characterised by employees assuming greater responsibility, working longer hours, with fewer resources, while confronting more ambiguity with less job security. Not all sources of stress are controllable by management (Parasuraman *et al.*, 1994). Some individuals, for instance, are naturally highly-strung and stress-prone and often have dilemmas outside their work that management cannot control but that employees nevertheless bring with them to their place of work. The good news is that stress is not necessarily bad. Stress levels that are maintained below an individual's natural threshold make work more interesting for employees, while stimulating higher performance.

Yet there are things management can do to reduce the negative impact of work stress on employees. They include improved personnel selection and job placement, the use of realistic goal setting, training in time management, redesign of jobs, increased employee involvement, expanded social networks, improved organisational communication and the creation of organisationally supported awareness programmes. While pay and rewards systems of any organisation still play an important role in its long-term survival, the massive decline of high-paying blue-collar manufacturing jobs has created a bimodal workforce in which most low-skilled workers are receiving incomes at or just above the minimum wage, while high-skilled workers such as professionals, technical or knowledge workers make up almost a completely separate income group whose pay level is almost three times as high as that of most low-skilled workers. These two separate classes of employee differ in more than just their immediate salary levels. They also differ in their potential for future earnings, their mobility and job security. Low-skilled workers face a future of permanent low wages, minimal promotion opportunities and limited bargaining

power until such time as executive leaders adopt a learning organisation approach to competitive advantage.

2.9 SUMMARY OF THE CHAPTER

This chapter ends with a reference to the broader issues of managing local talent. Major sections discussed in this chapter were the nature of global business, the role of human resources functions, the best practices in talent management, challenges of multinationals in implementing strategies and general challenges in carrying out assignments. The next chapter discusses the methodology of this study.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter outlines the methodology used in carrying out this research. In order to answer the objectives of the study, the research methodology has been presented by discussing the research framework, research design, population, sampling and sampling technique, data collection, presentation and analysis.

3.2 RESEARCH FRAMEWORK

Research process proceeds in a variety of settings and context. The choice of the setting for any research project is generally guided by the personal biography of the researcher who speaks from a particular class, gender, racial, cultural and ethnic community perspective. Moreover, the research framework was guided by the objectives of the study. These settings allow the researcher to approach the world with a set of ideas or framework (theory, ontology) that specifies a set of questions (epistemology) that he or she examines in specified ways that is, methodology or analysis (Hollis, 1994).

According to Hughes (1997), ontology is the kind of things that exist in the world which Hollis (1994) refers to as the being of society, that is, of relations and forces of production, of the economic structure of society and of the legal and political superstructure of society, and about conflicts and contradictions in the society, which bring transformations. Ontology has two views of society, realism and normalism. Realists argue that the business world can only be understood by detaching one self from the object of investigation in order to observe the phenomena. Tools, which observe this world, are structured questionnaires and structured interviews. Those who are persuaded by normalism argue that the world exists in our minds. They thus advocate for participatory observation as the method to observe the subject under investigation.

Epistemology on the other hand explores the relationship between the inquirer and the known (Saunders et al, 2003). As Hughes (1997) puts it, epistemology is concerned with evaluating claims about the way in which the world can be known to the people.

Positivists argue that reality consist of what is available to the senses. It postulates that social sciences should endeavor to emulate the most advanced of natural science. Pre-eminence is accorded to empirical research in the production of knowledge (Hughes, 1997). The approach is deductive. Positivists make extensive use of questionnaires and structured interviews to facilitate replication, as they believe that the world is structured and systematic. Positive approach includes experimentation, cross-sectional surveys, longitudinal surveys and case studies.

On the other hand, anti- positivists argue that knowledge exist in an unstructured form. It cannot be categorized as true or false. Saunders, Lewis, and Thornhill, (2003) call this approach research phenomenology. Phenomenology is characterised by an attempt by the researcher to understand what is happening and why it is happening. Researchers in this tradition work with qualitative data, obtained using a variety of methods of data collection, including unstructured questions and open questions. This approach is popular among case studies, field study, ethnography, focus groups and in-depth interviews. It is often criticised because it is not replicable, not generalisable, and not quantifiable unlike the positivist's research results.

The approach adopted in a research is very important. As Saunders et al (2003) observe that, the approach taken enables a study to take a more informed position about the research design, what kind of evidence to gather and from where and how such evidence is to be interpreted.

The researcher used a positivist approach. The research was positivist in that a survey was carried out using one systematic and structured questionnaire administered to human resources, secretariat and executive management of multinational organisations. Data collection was both quantitative and qualitative thus accommodating the phenomenological

approach. The overall strategy was positivist as it was considered simple and could be used without the need for experience and expertise in philosophy and psychology, which are major requirements of the phenomenological approach. In any event, the limited time available, made it impossible within the short space of time to venture into a fully-fledged phenomenological inquiry. Furthermore, while phenomenological results are difficult to quantify, generalise, replicate and uneconomic, inclusion of the positivist approach would fill the gap to make results more generalisable, quantifiable and replicatable.

3.4 RESEARCH DESIGN

According to Robson (1995), research design entails the tactics and strategies the researcher selects in carrying out a piece of research. It deals primarily with the objectives, purposes, intentions and plans within the practical constraints of location, time, money and availability of research staff. It is also very much about style, the architect's own preferences and ideas and the stylistic preferences of those who review the results. As Denzin and Lincoln (2000) further explain the concept, a research design describes a flexible guide that connects the theoretical paradigms first to the strategies of inquiry and second to the methods of collecting the materials. It positions the researcher at specific sites, persons, groups, institutions, bodies and relevant interpretive material, including documents and articles.

This research utilized the survey design method because according to Robinson (1995), it allows for a collection of standardized information from a specific population.

3.5 POPULATION

A population is a full set of cases from which the sample is taken (Saunders et al 2003). The study was based executive management of multinationals in Zimbabwe.

3.6 SAMPLING AND SAMPLING TECHNIQUE

A sample is subset of a population. Most populations are studied through the use of samples from a population, as it is not always feasible to gather information on all members of a population. As Hinkle, Wiersma and Jurs (1979) state, it is too costly and time consuming to conduct a census of the population if the population is too large hence the resort to sampling which is generally cheap to conduct and less time consuming. Francis (1998) notes though that a general disadvantage of sampling is the natural resistance by the layman in accepting the results as representative of a given population. Other disadvantages depend on the method of sampling used. A representative sample is one, which has been selected in such a way that as far as possible, the main characteristics of the sample match those of the parent population (Saunders et al, 2003).

There are two main groupings of sampling techniques, that is, probabilistic and non-probabilistic techniques. Probabilistic sampling is mostly associated with survey-based research, while non-probabilistic sampling is usually associated with among others, the case study research. Probabilistic sampling techniques include simple random sampling, systematic random sampling, stratified random sampling and cluster sampling. Non-probabilistic sampling includes quota sampling, purposive sampling, and convenience sampling (Saunders et al, 2003).

In this study, the researcher used cluster sampling. In this case clusters were depots. From each depot the researcher selected both staff members and management using simple random sampling. This implies that the study adopted both cluster and simple random sampling.

3.7 DATA COLLECTION INSTRUMENTS AND PROCESS

Data were obtained from mainly primary data sources using the questionnaire method. This method is appropriate in a survey method as it is used to collect information from a

large population easily with minimum cost and time required. Questions that were developed were focusing at the following objectives;

- To evaluate corporate strategies in developing local talent
- To determine and analyse the challenges encountered by multinationals in developing local talent
- To establish benefits that comes with development of local talent
- To recommend supportive culture for growth of proper talent in multinational organisation

In the questionnaire, sections were constructed in such a way that all objectives were included.

In order to ensure clarity and validity, the researcher pre- tested the instruments before administering them. The aim was to identify questions which could be ambiguous and clarify them. In developing the research instruments, the researcher considered the validity, reliability and objectivity of the information obtained from the instruments. Generally, validity is defined as the ability of the instrument to measure what it is supposed to measure (Labovitz and Hagedorn, 1976). (Fraenkel and Wallen, 1996) view this definition as old fashioned, instead they argue that a more accurate definition of validity revolves around the “defensibility of the inferences researchers make from the data collected through the use of an instrument”. Accordingly, they argue that validity of the instruments must always be considered within the context inferences, the researcher makes regarding particular areas or topics. In other words, the researcher needed instruments that would permit him to draw warranted, or valid, conclusions about the characteristics (perceptions, attitudes, and so on) of the individuals under study. The second consideration was reliability. According to Fraenkel and Wallen (1996) a reliable instrument is one that gives consistent results. The consistency gives the researcher confidence that the results actually represent what he/she intended to study. Reliable instruments obtain similar responses when administered to different respondents.

The issue of objectivity refers to the absence of subjective judgements (Fraenkel and Wallen, 1996). In addressing key issues about research instruments, the researcher pre-

tested the questionnaire before administering them at full to the population. This was to reveal the ambiguities, poor worded questions that were too long, unclear choices and also to indicate whether the instructions to the respondents were clear (Fowler, 1984). Although there were merits in pre-testing research instrument, the exercise was quite demanding as the researcher had to conduct the research exercise twice.

A total of 11 questionnaires were sent to all executive management of eleven multinationals that are operating in Zimbabwe. Each questionnaire was accompanied by an introductory letter explaining the purpose of the study and assuring respondents that their responses will be treated with the strictest confidentiality. The researcher had to select senior management at the organisation.

The advantage of using a questionnaire was that it was a much cheaper method of data collection. However, a badly drafted questionnaire may cause incorrect deductions to be made from statistical analysis of the results. It often has low response rate (Francis, 1998). To counter this, the questionnaire was made simple, logical and easy to complete.

3.8 DATA PRESENTATION AND ANALYSIS

Data collected from the research was extracted from the study materials using the Statistical Package for Social Science (SPSS), a windows software program. Descriptive statistical methods of data analysis such as pie charts, bar graphs and simple data tables, were used to explore and understand the data extracted from the research.

3.9 CHAPTER CONCLUSION

This chapter has presented the methodology used in carrying out this research. The chapter has shown how the data was collected, analysed and presented. The next chapter presents and discusses the research findings.

CHAPTER FOUR

4.0 RESULTS AND DISCUSSION

4.1 INTRODUCTION

This chapter presents the research findings and the associated discussion of the findings. It also provides the basis on which conclusions and recommendations of the study were made.

4.2 RESPONSE RATE

The researcher administered 11 questionnaires to 11 multinationals operating in Zimbabwe. Each organisation received one questionnaire 9 were successfully completed and returned. This represents a response rate of 82%. This response rate is worth enough to continue with the analysis.

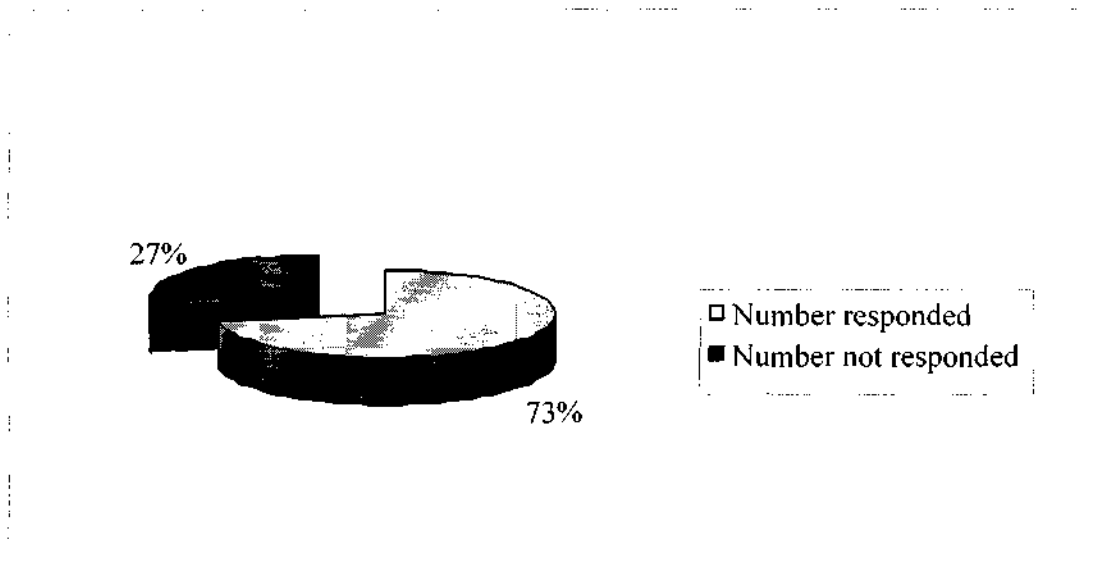


Figure 4.1: Response rate

The response rate shows that 72.3% of the respondents were able to respond and 27.3 % did not respond. In general, this shows a high response rate as shown by figure 4.2 above.

4.3 DESIGNATION OF RESPONDENTS

Most of the respondents were managers who had the highest percentage of 66 .Directors and area heads carries 17% each. The results show that the responses were from high-level management. Figure 4.2 below shows the designation of the respondents

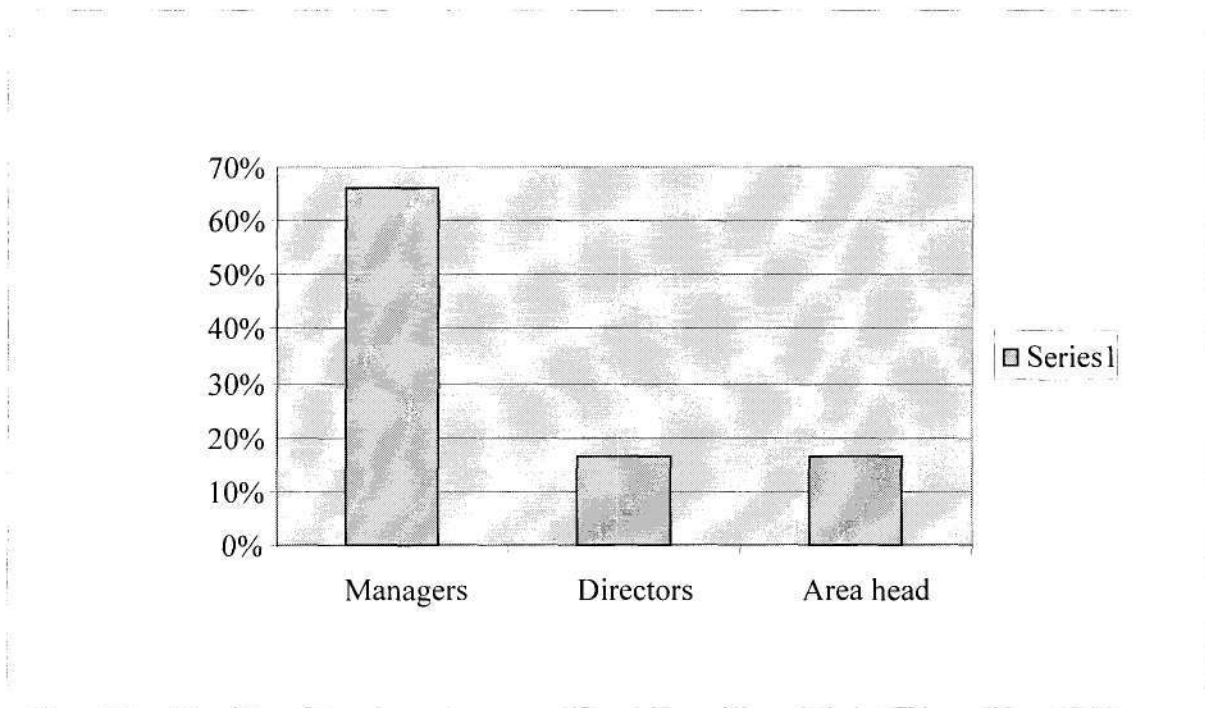


Figure 4.2: Designation of respondents

4.4 SECTORS THAT RESPONDENTS OPERATE

According to the findings of the study, most of the respondents were from the manufacturing sector 43%, 29% were from the oil industry sector and 14% from the

financial and commercial sector. These results show that most of the multinationals are in the manufacturing sector.

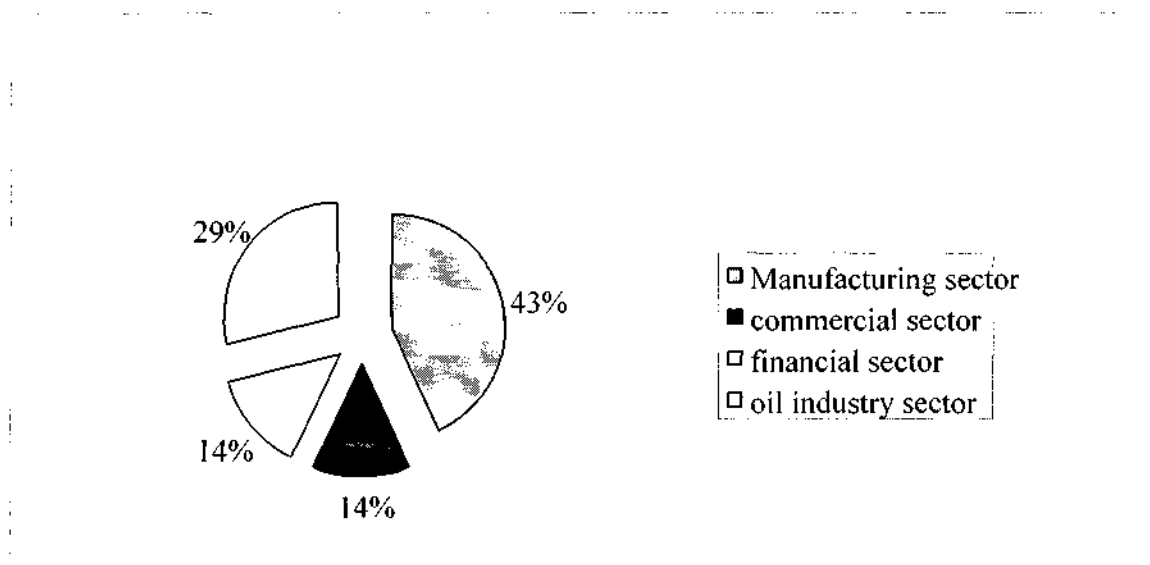


Figure 4.3 sectors in which respondents operate

4.5 NATURE OF BUSINESS OPERATIONS

Figure 4.4 below depicts the nature of business which the respondents operates in

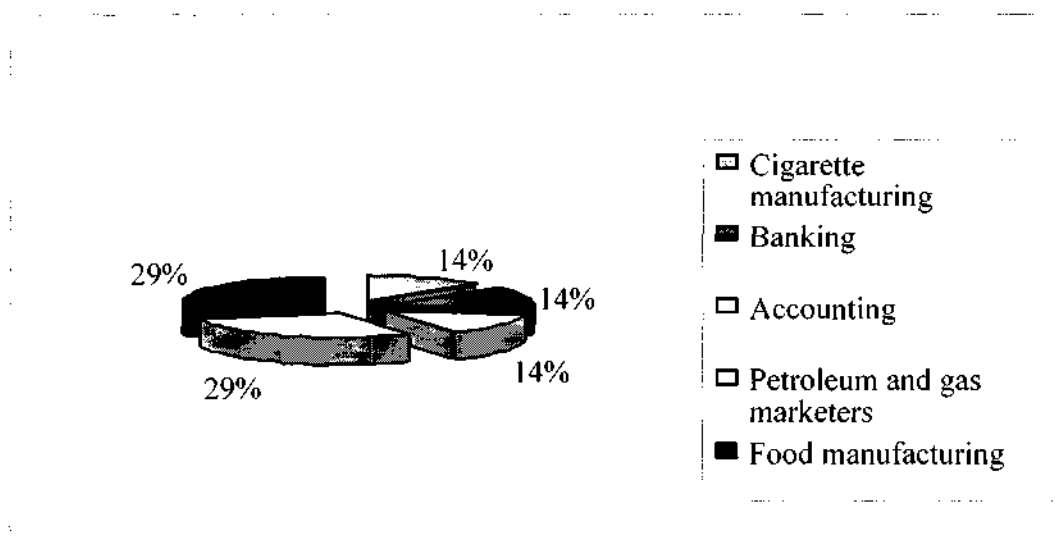


Figure 4.4: Nature of business

Results show that 29% of the respondents' organisations operates in food manufacturing and also 29% in marketing of petroleum an gas while as cigarette manufacturing, banking, and accounting carries 14% each. These results reviews that most of the multinationals operates in the manufacturing industry.

4.6 NUMBER OF COUNTRIES THE COMPANIES OPERATES IN

Table 4.1: The number of countries that respondents' companies operates in

Minimum	56
Average	103
Maximum	150

The table above shows that the minimum, average and the maximum number of countries that each company operates in. The minimum number is 56; the average number is 103 and the maximum being 150. This shows that most multinationals have their operations in countries not less than 50.

4.7 IDENTIFICATION OF LOCAL TALENT

4.7.1 Understanding of Local Talent

Figure 4.8 below shows the level of understanding of the term development of local talent by the respondents.

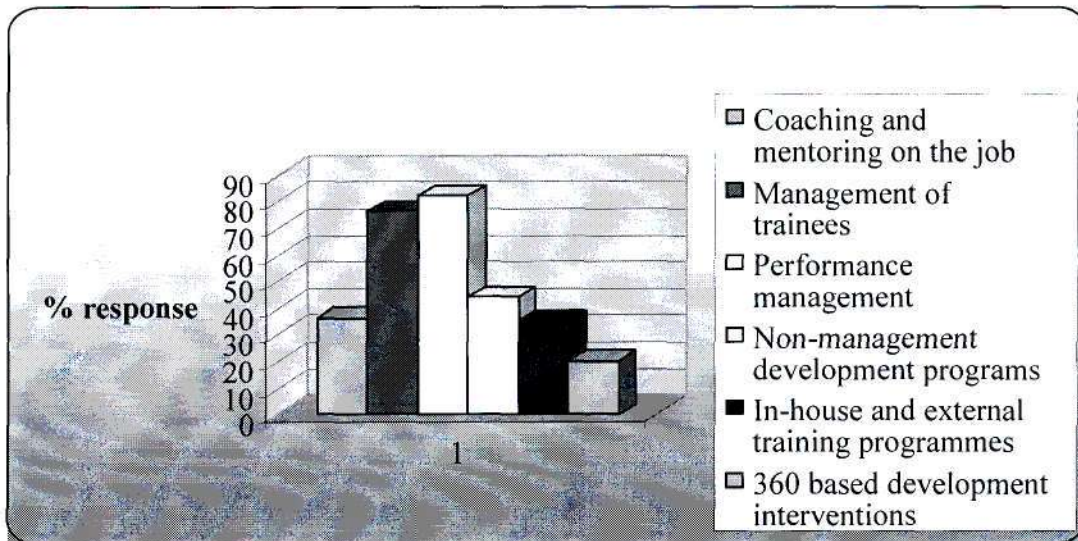


Figure 4.6: Understanding of Talent development

The analysis from 4.6 above revealed that 82% of the respondents understood the term development of local talent as performance management, 72% said it is the management of trainees and 31% said it involves development of non-management programs. Generally, these results imply that development of local talent involves training programmes that are undertaken by organisations to equip staff (both old and new) with skills of the job. This assertion agrees with Drucker 1992) who asserts that leadership more than management initiatives, cultural imperatives rather than policy and lifelong development instead of training programmes are employed. In other words, local talent must involve training programmes that recognize the potential personnel and their flexibility to adapt to learning and continuous improvement.

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The research found that all the respondents indicated that they have talent development programs in their organization that implemented in various forms and with different success rates.

4.7.2 Talent Development Process

Figure 4.7 below shows analysis on the talent development process. It was revealed that

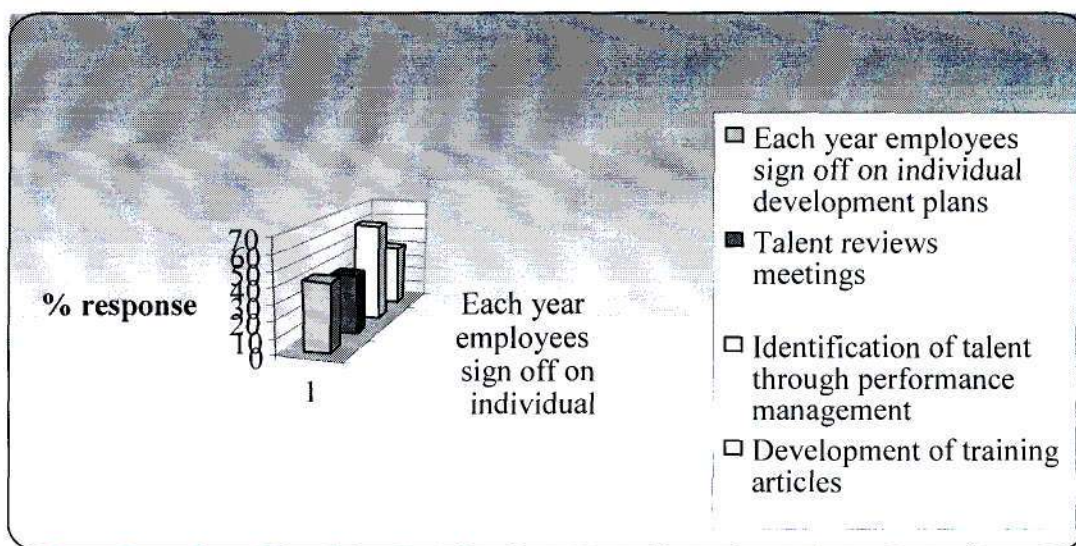


Figure 4.7: Talent Development Process

63% of the respondents indicated that they develop local talent through performance management, 37% said each year employees sign off on individual development plans, 31% said that management will identify talent in their talent reviews meetings and 28% said that their talent development process involves the development of training articles, which are given out to employees. This implies that multinationals in Zimbabwe have different ways, which they employ in a bid to develop local talent in their organisations. Drucker (1992) argued that local talent can be done by taking advantage of learning

opportunities like systematic demographic training and development initiatives to overcome the deficiencies across its workforce. For the new social contract between a multinational learning organisation and its workforce to function effectively the company must invest in training in multiples of its training budget not percentage increases. In the new marketplace for talent, organisations must provide opportunities, resources and rewards for the continual development of their workforce or risk losing their greatest competitive asset (Aubrey and Cohen, 1995). Increasingly information technology and computers are becoming the single most important way for companies to create knowledge repositories and encourage learning.

An analysis to deduce whether their programmes are successful was carried out. Figure 4.8 below shows this analysis.

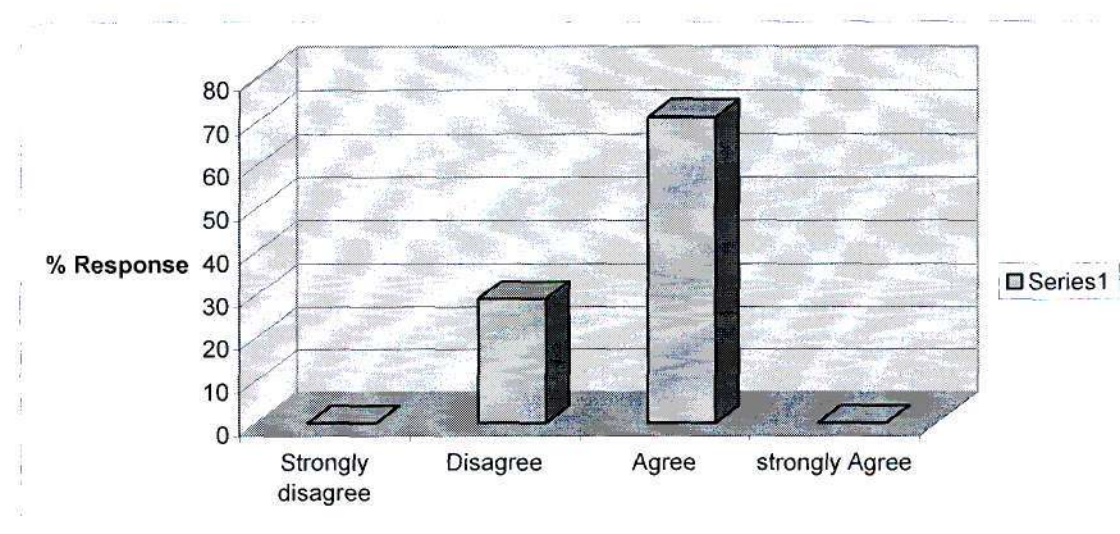


Figure 4.8: Successfulness of the Talent Development Programs

Figure 4.8 above shows that 71% of the respondents agreed that their talent development programs are successful whilst 29% said that they are not successful. This analysis implies that the majority of multinationals in Zimbabwe have successful talent development programs. However, percentage of those who did not agree is very significant to comment that some of the organisations do not have successful talent development programs in their organisations.

4.7.3 Key Talent Development Process

An analysis to find out key drivers of talent development in multinational organisations was carried out. Table 4.1 below contains these results. The analysis was done in form of ranks. One means the highest driver of the process and five means the least driver of the process. The analysis deduced that company values or policy is the highest driver of talent development process followed by organisational business effectiveness. The least talent developmental process drivers are legislative requirements.

Table 4.2: Drivers of Talent Development

Driver	Mode response
Legislative requirements	5
Organisational business effectiveness	2
Recruitment costs	4
Company values/ policy	1
Local culture/language/practices	3

This analysis implies that company values are the major factor that drives talent development process. Hofstede, 1993 suggested that it may be useful to highlight the unintentional offence that can be given by practicing everyday routines of one's own culture in a host country with very different values. It is important for expatriates to realise that, no matter how well they or their families are prepared for their assignment, each member of the group will experience varying degrees of culture shock in their own unique way – no one can escape it.

The analysis also shows that unlike in the neighbouring country, South Africa where local talent development is largely driven by legislative requirements for Zimbabwe operations this is the last of considerations as there are no specific government guidelines or regulations that compel MNCs to develop local talent. It is also refreshing to note that the MNCs consider talent development to be critical for the success of the business operations and thus a competitive advantage.

4.7.4 Cost on Talent Development Process

An analysis to investigate the magnitude of cost spend on developing local talent was carried out.

Table 4.3: Cost on talent development process

Amount spend as a percentage	% response
Between zero and ten percent	57%
Between ten and twenty five percent	43%

The analysis discovered that most (57%) of the respondents' total cost on developing local talent takes between zero and ten percent whilst 43% said that it takes between ten and twenty-five percent of the annual payroll bill. Handy, 1989 reiterated that it is fashionable to speak of the human assets of organisations; even though people do not appear in the balance-sheet they are assets in that they are or should be a productive resource. "A resource that needs maintenance and proper utilisation, that has a finite life and an output greater than its cost". He has consistently argued that employees are the core assets of organisations (Handy, 1989). Recruiting and developing talent does take commitment from the organization but the end results are worth it if properly implemented and followed through.

4.8 PROMOTIONS

Table 4.4 below shows an analysis on the promotions of local talent to management levels. Generally, it was deduced that greater percentages (67%, 83% and 67%) shows that they are very few number of people who are promoted to management in multinationals. Probably, the majority of the management is brought from abroad or the locals do not get opportunities to advance either locally or abroad. This may also be an indication of the stagnation in the labour market where those in management hardly move out to make way for younger employees to succeed them as there is few job opportunities in the country.

Table 4.4: Promotions

Number promoted to junior management	% response
Very few	67%
Few	33%
Number promoted to middle management	% response
Very few	83%
Few	17%
Number promoted to senior management	% response
Very few	67%
Few	33%

4. 9 TRANSFER OS SKILLS

This section contains analyses on the strategies used by multinationals in transferring skills.

Figure 4.9 below analyses whether there is an understudying of any expatriates by locals in multinationals operating in Zimbabwe. The analysis deduced that 71% of the respondents indicated that there is none whilst 29% said that they are there. Therefore, this means that very few multinationals employ expatriates in Zimbabwe or that there are few expatriates in Zimbabwe operations. Another deduction could be that Zimbabwe is no longer a preferred expatriate destination or that because of their very nature MNCs

may not necessarily replace expatriate management with local management but may continue to bring expatriates from other countries and also reciprocally second local staff to other operations/subsidiaries. Expatriates usually play multi roles such as transfer of technology and management practices by ensuring that local employees understand and practice the corporate culture. Like the Indian managers, local managers speak English fluently which is the mother tongue of most MNCs in Zimbabwe and are adept at learning new corporate cultures. In the current environment local managers have a better appreciation an understanding of the issues than expatriate managers.

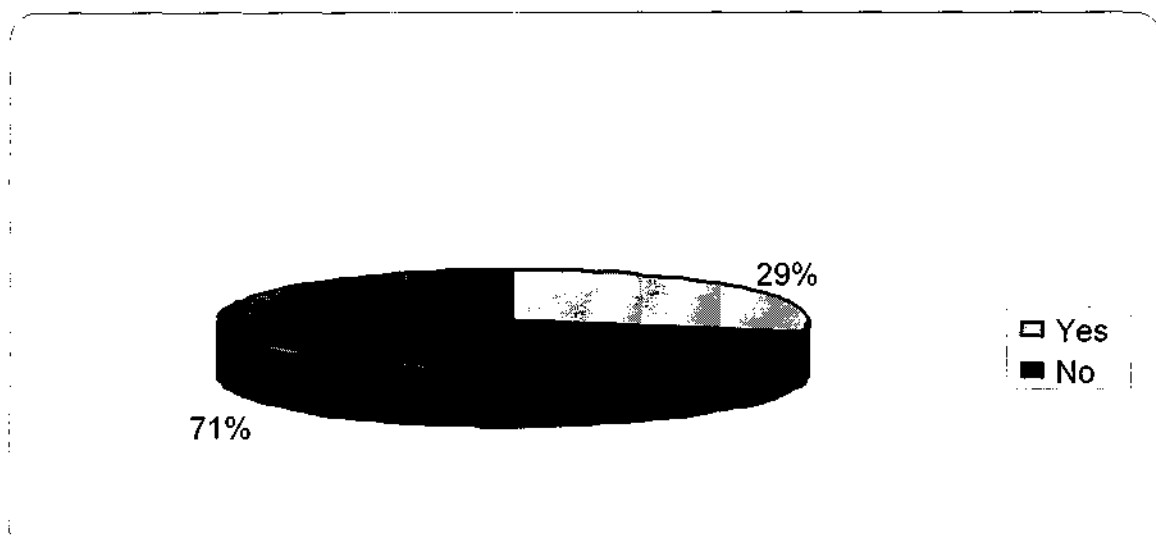


Figure 4.9: Understudying of expatriates by locals

4.10 AVAILABILITY OF MENTORSHIP PROGRAMS

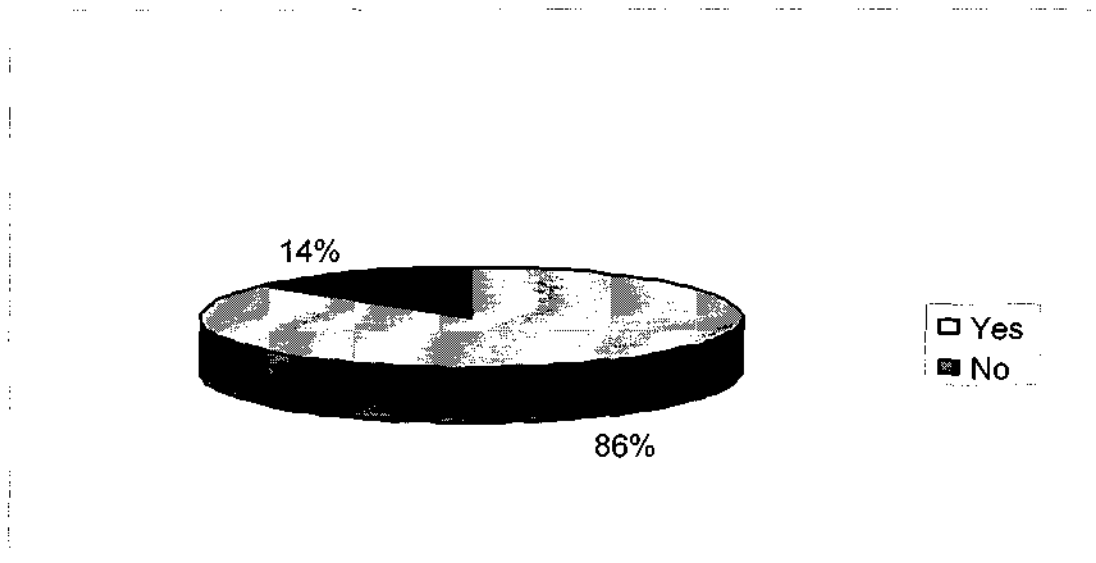


Figure 4.10: Availability of mentorship programmes

Figure 4.10 above revealed that 86% of the respondents confirmed that they have mentorship programs in their organisations and 14% said they do not have such programs. This shows that most of the multinationals operating in Zimbabwe have mentorship programs. On the issue of training programs, O’Keeffe, 2001 argued that effective utilisation of advanced technology is determined as much by an organisation’s record of training and development as by any new-found desire to be the best. Unlocking the knowledge resources of an organisation is vital for its long-term survival, yet only a handful of organisations have found the key that opens the door to effective knowledge diffusion and success (O’Keeffe, 2001a,b). However, some commentators believe that those organisations that are developing company-wide learning programmes are

stimulating their employees to take better advantage of the status quo, while others argue that the aspiration of becoming a learning organisation is not only necessary but essential for long-term survival and the rate at which individuals and organisations learn may become the only sustainable competitive advantage.

An analysis to reveal preferences of locals in the mentorship programs was carried out in figure 4.11 below.

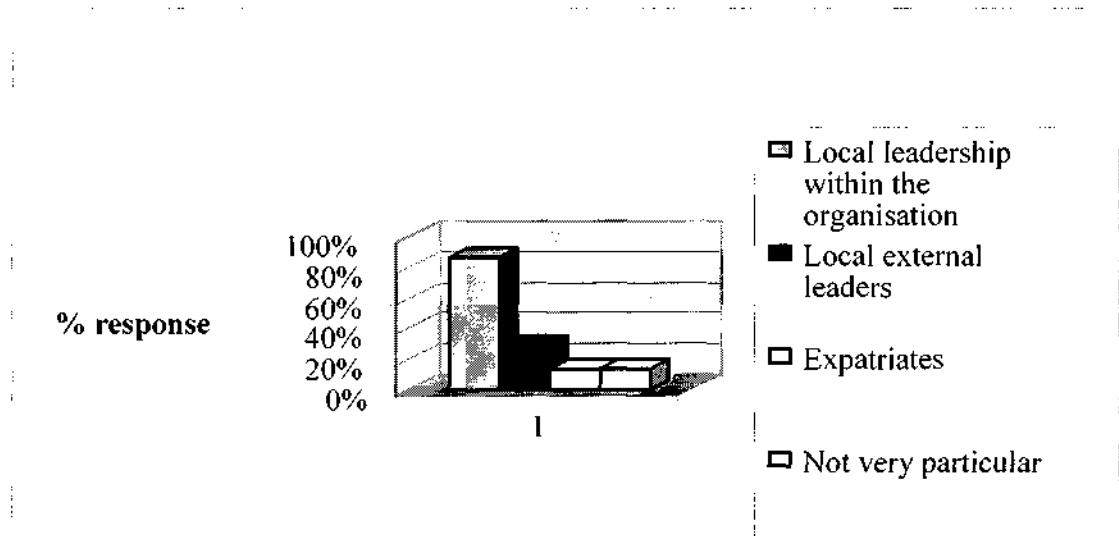


Figure 4.11: Preference of nature of mentorship programmes

The analysis found that 86% of the respondents prefer to be trained on local leadership within their organisation, 29% indicated that they prefer local external leadership trainings 14% prefer to be trained on expatriates and another 14% are not very particular. Generally, this results shows that local employees in multinationals prefer to be trained by local leadership within their organisation. This is in line with what was suggested by Hastings in 1993 and by the McKinsey survey (2006). He argued that most workers

prefer training, which will reduce the negative impact of work stress on employees. They include improved personnel selection and job placement, the use of realistic goal setting, training in time management, redesign of jobs, increased employee involvement, expanded social networks, improved organisational communication and the creation of organisationally supported awareness programmes. The McKinsey survey indicates that expatriates are not preferred in mentoring programmes by locals. This could be as a result of cultural and behavioural differences.

Figure 4.12 below contains an analysis on how organisations prepare locals for foreign or international assignments.

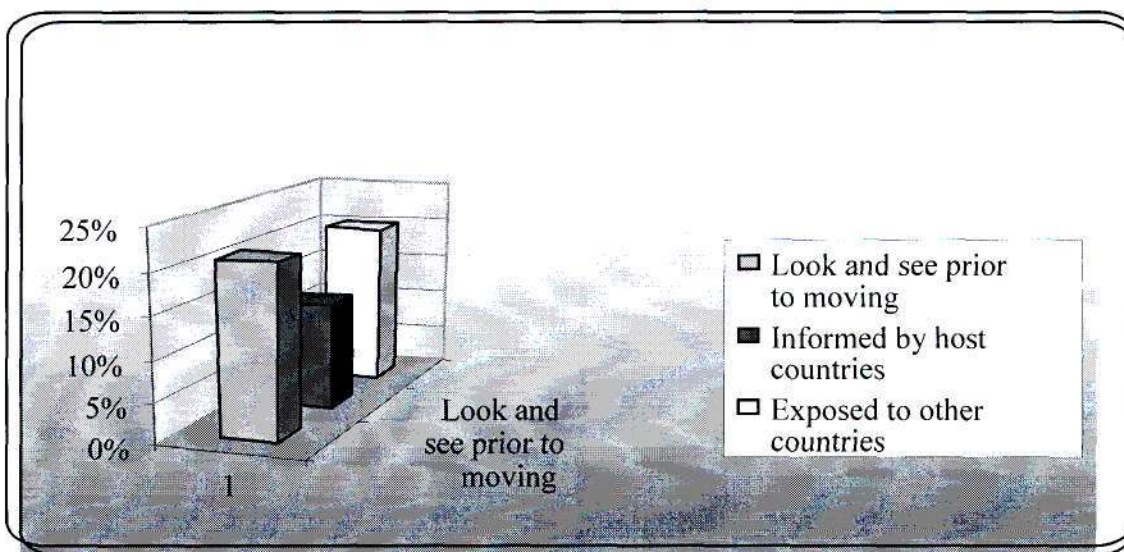


Figure 4.12: Preparations of locals for foreign assignments

Twenty-one percent of the respondents highlighted that they prepare by just look and see prior to moving approach, 20% said that they are prepared by first getting exposed to foreign countries and 13% said that are prepared by getting information from the hosting countries. These results show that there is no effective methodology of preparing locals

for foreign assignments. Kreitner et al (1999) suggests that all organisations planning to relocate, particularly to another continent, should thoroughly understand the local practices that are at odds with their own cultural imperatives. One of the easiest ways of achieving an appreciation of the indigenous culture is to ask other multinational organisations that have already established a presence in your preferred location. Collectively, family and personal adjustment problems, not technical competence, are the main concerns for executives on foreign assignments

A follow-up to the above analysis was done to really see whether multinationals in Zimbabwe have expatriate training programs.

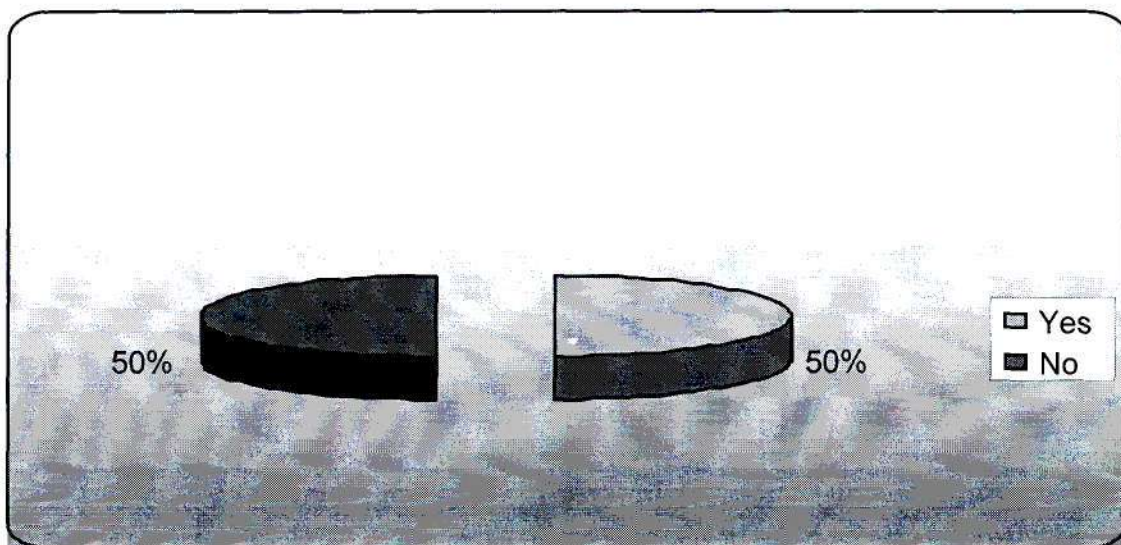


Figure 4.13: Expatriate training programmes

Figure 4.13 above established that 50% confirmed that they have expatriate training programs in their organisations whilst another 50% said that they do not have such programs in their organisations. Fifty percent is a significant percentage of those of who

do not have expatriate training programs in their organisation. These results proves that some multinationals did not appreciate the significance of expatriates while as others do. However, it is recommended for multinationals to consider the needs for expatriates .this is in line with Kreitner (2000) who suggested that the expatriates helps in identifying the sustainable sources of competitive advantage.

4.11 BENEFITS AND CHALLENGES OF DEVELOPING LOCAL TALENT

4.11.1 Challenges of developing local talent

Table 4.5: Challenges of developing local talent

Challenges	% response
Employee turnover	75
Lack of commitment and time for coaching and mentoring by management	82
Lack of resources	64
Unwillingness by locals to learn	32

Table above revealed that 82% of the respondents highlighted that their organisations are challenged by lack of commitment and time for coaching from the management, 75% said that affected by staff turnover, 64% suggested lack of resources as another challenge and 32% said that local employees are not willing to learn. This implies that lack of commitment from the management and high staff turnover are the major challenges being faced by multinationals in developing local talent. In South Africa, local players who have started to establish international BPO&O operations have consistently emphasised

the high expectations on service levels, and operational challenges of consistently delivering on these expectations.

On the challenge of the availability of resources, organisations must provide opportunities, resources and rewards for the continual development of their workforce or risk losing their greatest competitive asset (Aubrey and Cohen, 1995). Increasingly information technology and computers are becoming the single most important way for companies to create knowledge repositories and encourage learning. Sillince (1995) suggests that knowledge and understanding are critical factors for learning initiatives and that information technology, particularly group decision support systems, can be very effective in transferring such information. On big challenge indicated by the respondents is lack of foreign currency to send local employees to regional or international training and developing programmes.

An analysis to investigate solutions, which are used by multinationals in order to address challenges above, was done. Results shows that 51% of the respondents indicated that they address their challenges by first developing skills of their management, 42% said scouting talent internationally and 43% said they get assistance from sister companies.

Table 4.6: Solutions to challenges

Solutions	% response
International Talent Scouting	42
Development of skills for management	51
Assistance from sister companies	43

The realities of global competition and increased customer sophistication have focused organisational attention on the need to integrate technological development within a “learning culture”. While much has been written on the importance of evolving a “learning culture”, less attention has been given to understanding in a practical way the demands advanced technology places on organisational systems. There is a growing realisation that long-term organisational success is more dependent on the manner in which an organisation exploits its intellectual capital (O’Keeffe, 2002) than on any state-of-the-art technological interventions.

4.11.2 Benefits of developing local talent

Table 4.7: Benefits of developing local talent

Benefits	% response
Exposure to international best practices	76
Good staff retention	72
Career growth for employees	63
Good corporate citizenship	44

Table 4.6 above shows that 76% of the responds highlighted that development of local talent will benefit them by bringing exposure to international best practices in their organisation, 72% said that it improves staff retention, 63% said that it will expose career ladder to employees and 44% said that it brings good corporate citizenship. The ability to transfer knowledge effectively and omni-directionally throughout the organisation is

important as source of competitive advantage. Drucker (1992) stated that: “knowledge is the primary resource of competitive advantage for individuals and the economy overall”. If this is true then the creation of new knowledge must be a key process for both organisational learning and organisational effectiveness. Equally, if knowledge is a valuable resource, then the need to share it, to deliberately communicate it to the entire workforce, becomes apparent. Going further, if knowledge is so important (and few would disagree with this assertion) then there is much to be gained by sharing key information with customers, suppliers and distributors. This sharing of knowledge has many advantages, not least the open access the company gains to the knowledge bank of customers, suppliers and distributors in any such reciprocal arrangements.

Figure 4.14 below shows an analysis to investigate whether internationals in Zimbabwe promote local developmental programs outside the internal process.

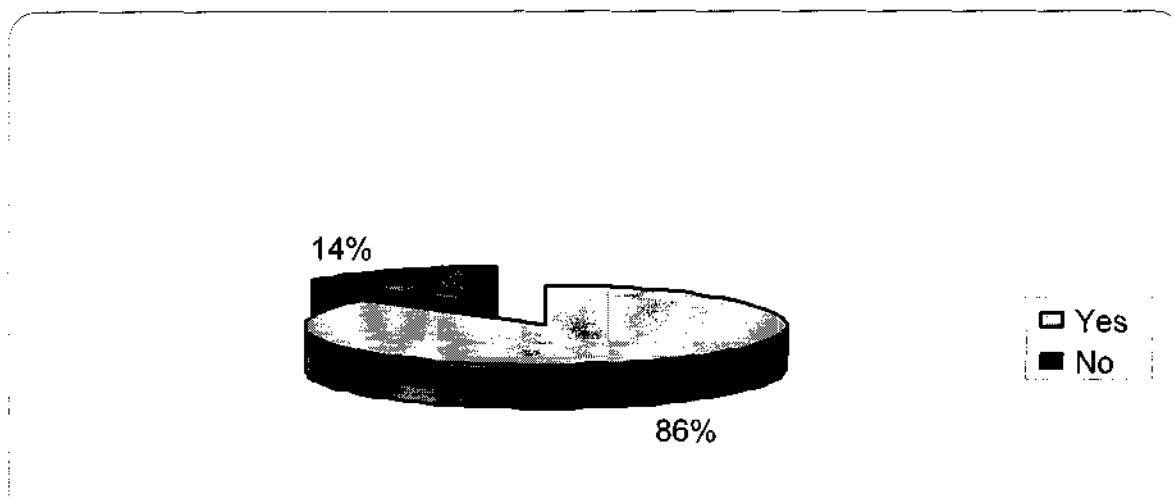


Figure 4.14: Local Developmental programmes

The analysis revealed that 86% of the respondents said that their organisations have those local developmental programs and 14% said they do not have. Aubrey and Cohen (1995) support local developmental programmes since they overcome deficiencies across workforce. Aubrey and Cohen, 1995 suggested that, before an organisation can hope to take advantage of learning opportunities it must undertake comprehensive and systematic demographic training and development initiatives to overcome the deficiencies across its workforce. For the new social contract between a multinational learning organisation and its workforce to function effectively the company must invest in training in multiples of its training budget not percentage increases.

Table 4.7 below proceeded to analyse the programmes, which organisations have outside the internal process. It was discovered that 47% of the respondents indicated that they engage on sports activities, 43% said they also do management development programs and 34% said they have culture and arts activities.

Table 4.8: Programmes outside the internal process

Programs	% response
IT end user training	14
Management development programs	43
Arts and culture	34
Sports activities	47
Donations to local agencies	32

4.12 TALENT RETENTION

4.12.1 Management training

Table 4.8 below shows the management training methods required to assist leaders in managing their local talent.

Table 4.8: Management training methods

Management training methods	Percentage
Performance management	20%
Basic reward skills	30%
Assessment training	10%
Training needs and analysis	12%
Leadership development	8%
Motivational programmes	7%
Mentorship programmes	9%
Effective communicators	8%
Teamwork building	9%
People skill development	6%

Most of the respondents show that basic reward skills is a method of training management with 30%, then performance management with 20%. Assessment training with 10%, training needs with 12%, leadership development with 8%, motivational programmes with 7%, mentorship programmes with 9%, effective communicators with 8%, teamwork building with 9% and people skill development with 6%. The results

proves that basic reward skills is the best method of assisting leaders to manage their local talent. Drucker (1993) argued that management of training is key because it is the performance of the overall organisation that determines its survival; therefore it is necessary to retain control, ensure acceptable standards are sustained and that the necessary actions are being taken to correct deviations from agreed standards. Drucker (1993) contrasts the notion of need for control in modern organisations with the development of information technology and increasing numbers of “knowledge employees” who are less likely to respond to autocratic management. Rather he sees employees seeking opportunities for challenge, as well as outlets for creative ability, while enjoying the stimulation of working with like-minded individuals.

4.12.2 Retention strategies

An analysis of investigation prove that every organisation have retention strategies. All responses were positive .The results shows that companies are implementing proactive retention strategies.

4.12.3 Loss of talented staff

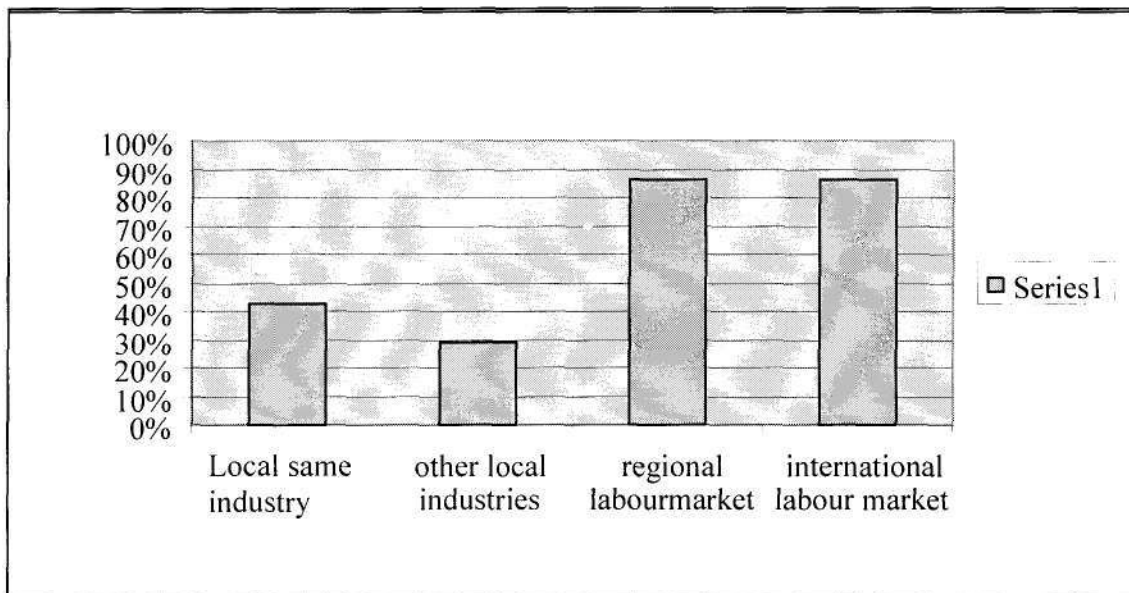


Figure 4.15: Loss of talented staff to other industries

The investigation from figure 4.15 shows that most of the talented staff is lost to regional labour market and international market with 86% each. Other talented staff are lost to local industry of the same nature with 43% and 29% are lost to other industries. The analysis highlighted that talented staff are more attracted by regional and international market than the local market.

4.12.4 Rate of losing talented staff

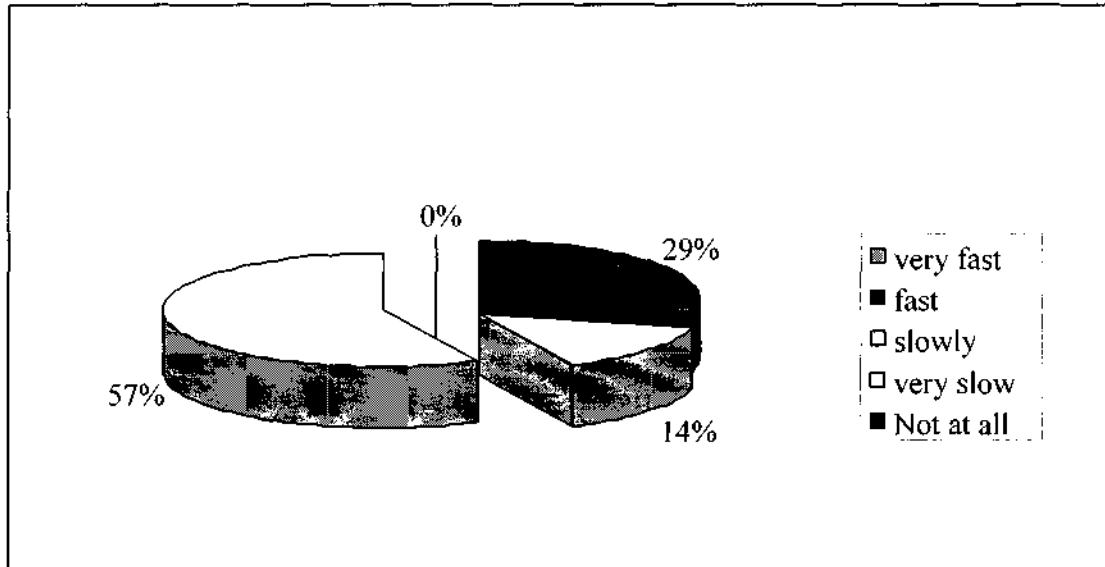


Figure 4.16: Rate of losing talented staff

Figure 4.16 above shows that the rate of losing talented staff very slowly is 57%, 29% are lost quickly, 14% are lost slowly. This asserts that talented staff is retained in organisations.

4.12.7 Reasons for staff leaving their organisation

Respondents reviewed that the major reasons for staff to leave their organisations was because of reward issues with 50%, career progression with 20%, new opportunities with 20% and running away from tough economy has 10%. In general, staff runs away from its organisation for greener pastures where it is highly rewarded

Table 4.9: Reasons for staff leaving their organisations

Reasons	Percentage rate
Reward issues	50%
Career progression	20%
New opportunities	20%
Running away from tough economy	10%

Filipezak, 1996 pointed out that stability for strategic change in self-directed environments transfers responsibility for career development from the organisation to individuals (Filipezak, 1996). Today's employees are becoming more concerned than ever with keeping current skills and developing new skills. They see learning as a lifelong process. He further reiterated that pay and rewards systems of any organisation still play an important role in its long-term survival, the massive decline of high-paying blue-collar manufacturing jobs has created a bimodal workforce in which most low-skilled workers are receiving incomes at or just above the minimum wage, while high-skilled workers such as professionals, technical or knowledge workers make up almost a completely separate income group whose pay level is almost three times as high as that of most low-skilled workers. These two separate classes of employee differ in more than just their immediate salary levels. They also differ in their potential for future earnings, their mobility and job security.

4.13 WAYS OF ORGANISATION IN ORDER TO PERFFORM BETTER

Table 4.10: How to identify and develop local talent

How to identify and develop local talent	% rate
Appoint locals to senior management positions	14%
Inflation sensitive reward strategy	14%
More proactive identification of development opportunities	29%
Enhance line management capability to identify and develop local talent	14%
Retain highly qualified staff during retrenchment	14%
Open opportunities for local staff in regional and international assignment	14%

Responses from table 4.10 above highlighted that 29% of the response rate shows that proactive identification of development opportunities helps to identify and develop local talent followed by inflation sensitive reward strategy, appoint locals to senior management positions, enhance line management capability to identify and develop local talent, retain highly qualified staff during retrenchment and open opportunities for local staff with 14% each Bateman and Zeithaml, 1993 suggested that for organisation to do

better they should be aware of the delicate balance between the needs of the individual and the demands of the organisation. In other words there has to be equilibrium between production, on the one hand, and productive capacity, on the other. Once people have the capacity to produce excellent results they need to be empowered to ensure that they fully utilise that capacity. Traditional definitions of empowerment focus on the sharing of power with employees, thereby enhancing confidence in their own performance and belief that they are influential contributors to the organisation (Bateman and Zeithaml, 1993).

Management techniques can reduce the negative impact of work stress on employees. They include improved personnel selection and job placement, the use of realistic goal setting, training in time management, redesign of jobs, increased employee involvement, expanded social networks, improved organisational communication and the creation of organisationally supported awareness programmes. While pay and rewards systems of any organisation still play an important role in its long-term survival, the massive decline of high-paying blue-collar manufacturing jobs has created a bimodal workforce in which most low-skilled workers are receiving incomes at or just above the minimum wage, while high-skilled workers such as professionals, technical or knowledge workers make up almost a completely separate income group whose pay level is almost three times as high as that of most low-skilled workers. These two separate classes of employee differ in more than just their immediate salary levels. They also differ in their potential for future earnings, their mobility and job security. Low-skilled workers face a future of permanent low wages, minimal promotion opportunities and limited bargaining power

until such time as executive leaders adopt a learning organisation approach to competitive advantage.

4.13.1 Targets on localization

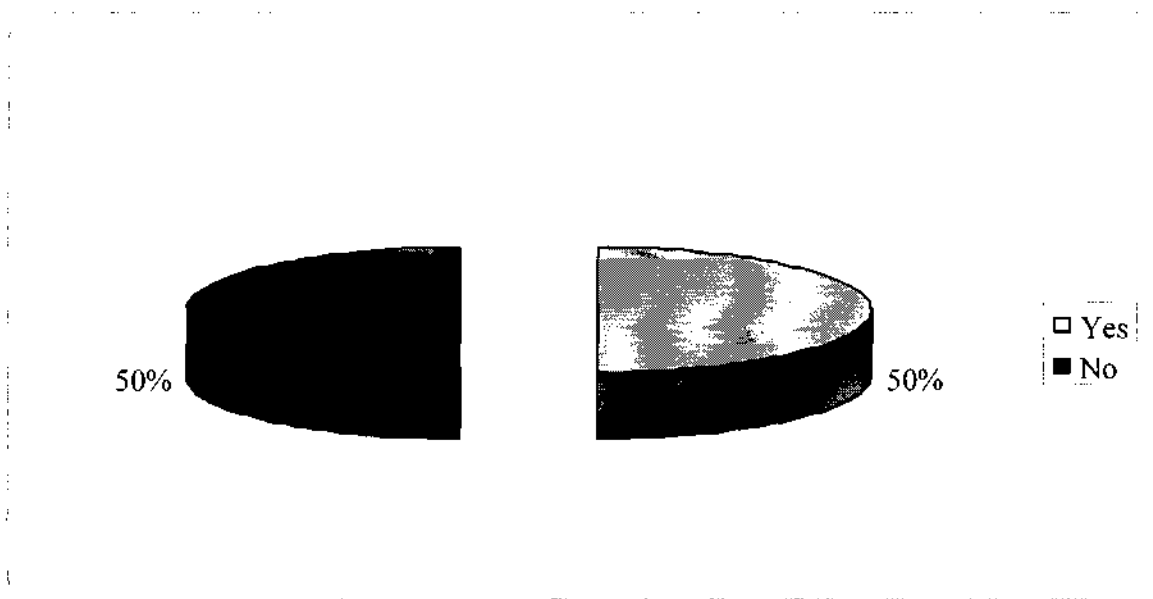


Figure 4.17: Targets on localisation

Half of the respondents agreed that their organisations had set targets on localization while another half of the respondents said that their organisations do not set targets for localisations. Figure 4.17 went on to review if targets set are met.

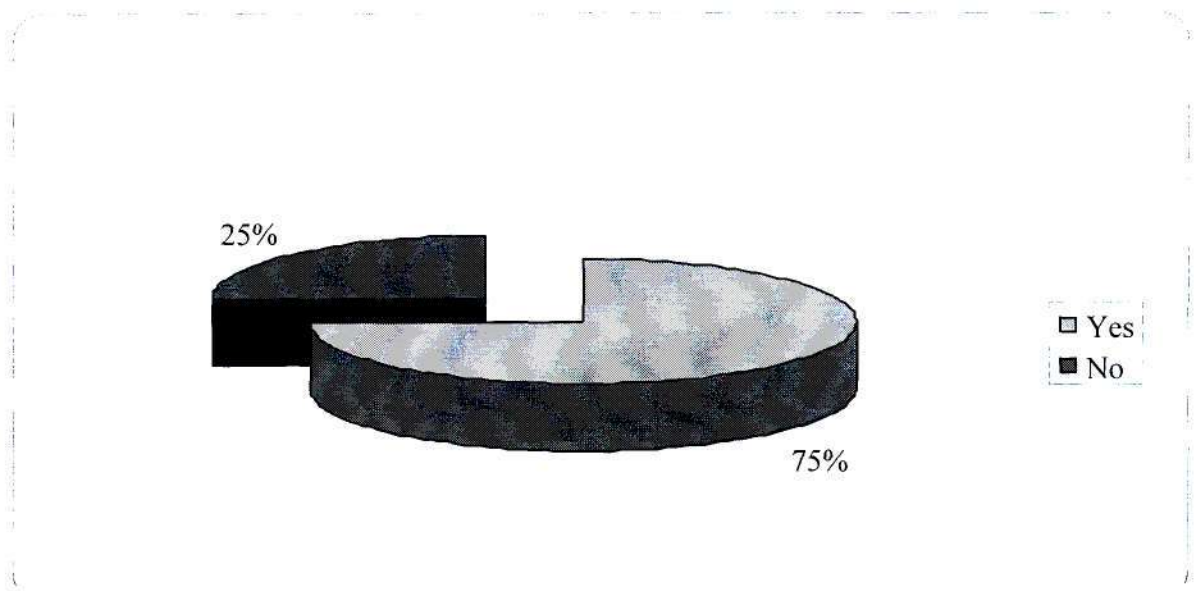


Figure 4.18: Meeting targets

The analysis from figure 4.18 held that 75% of the responses met their targets and 25% did not meet their targets. The thesis proves that many organisations are able to meet their targets.

4.13.2 Formal talent development formal follow up

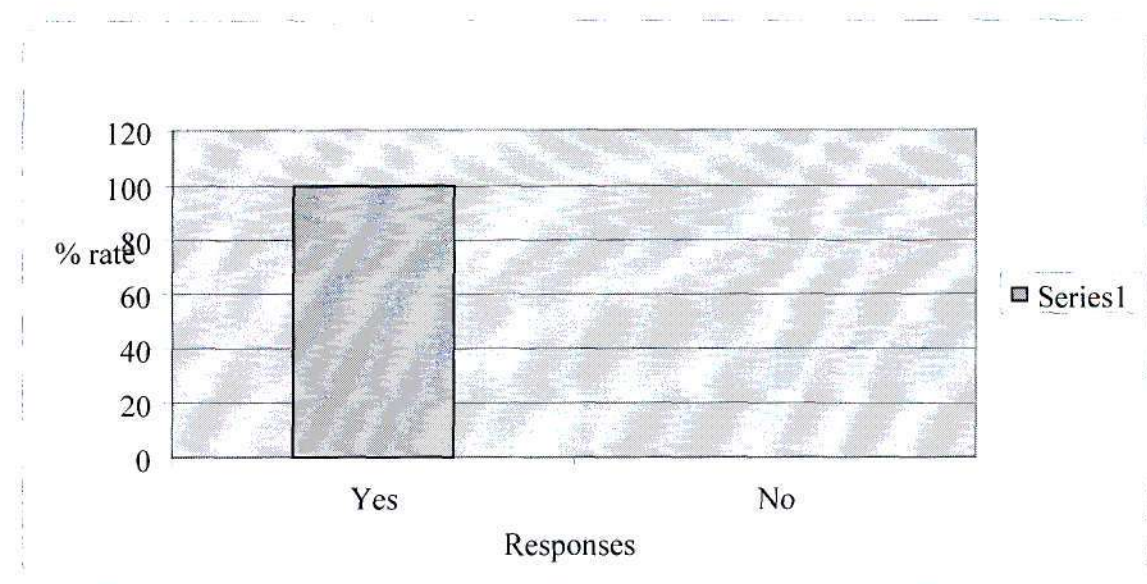


Figure 4.19: Formal talent development

Responses shows that organisations exercise formal talent development formal follow up.
All responses were positive as shown by the diagram above.

Table 4.11: Impact of new technology in the development of new talent

Impact of new technology to talent development	Percentage response
Quick communication in the organisation	29%
Wide sharing of communication through internet	14%
Talent development requires identification of equally dynamic talent	29%
Adds value to services	29%
Enhance productivity	29%
Very crucial	14%
Insignificant	14%

Results from table 4.11 above shows 29% to each of the responses gave the impact of new technology to talent development as , enhancing quick communication, identification of equally dynamic talent, adds value to services, enhance productivity. Other responses with 14% each gave the impact of new technology as very crucial, wide communication sharing through the internet and some said that new technology is insignificant. Most of the responses appreciate the impact of information technology. Aubery and Cohen(1992) suggested that increasingly information technology and computers are becoming the

single most important way for companies to create knowledge repositories and encourage learning. This is supported by the Offshoring Opportunity Headline Report of South Africa, which reported that information technology would stimulate growth in various multinationals and it enables service infrastructure.

4.13.3 Performance targets on local talent development

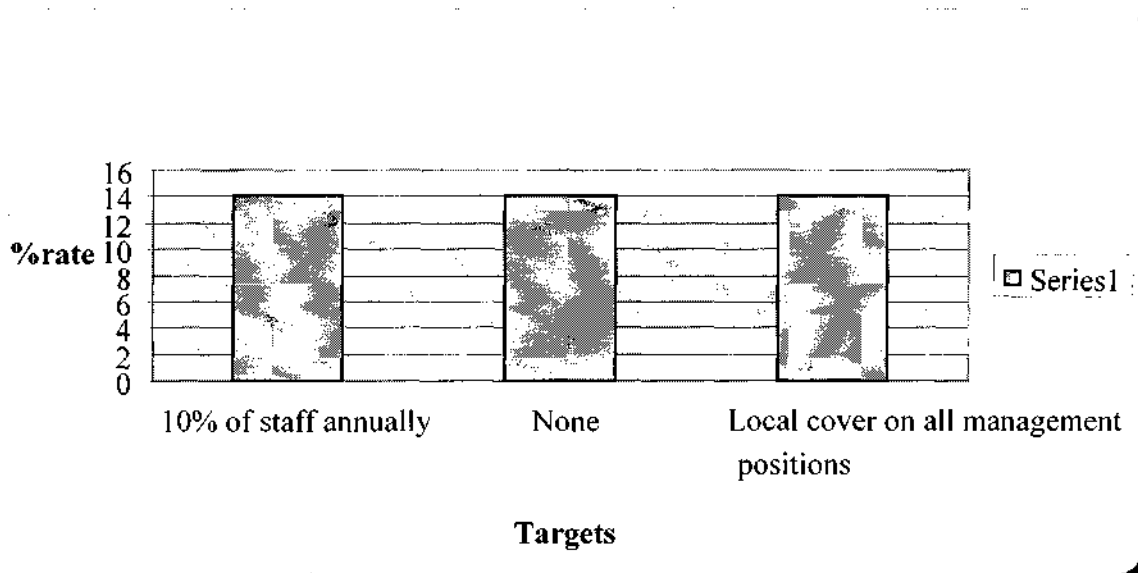


Figure 4.20: Performance targets on local development

In figure 4.20 above, responses said the targets to local talent development were 10% of staff annually (14%), local cover on all management positions (14%) and some of the responses said that there are no targets performance to local talent development in their organisation (14%). This enhances that organisations apply different performance targets suitable for their operations. Katzenbach and Smith (1993) draw on their experience in a

number of organisations in concluding that team working will be the principal building block of company performance in the future. They further indicated that stress levels that are maintained below an individual's natural threshold make work more interesting for employees, while stimulating higher performance.

4.14 RECOMMENDATIONS CONCERNING DEVELOPMENT OF LOCAL TALENT BY MULTINATIONALS

Table 4.12: Recommendations from Respondents

Recommendations	Response rate
More regional and international exposure	14%
Regional and international training	14%
Appoint locals to senior management	29%
More coaching and mentoring	14%
Broadening minds to think globally and act locally	29%
More robust performance management systems	14%
Adopt best practices	29%
Share information amongst local operations	14%
Expose staff to regionally and internationally market	14%
International assignments and projects	14%

Various responses were given. Higher responses recommend that organisations must appoint locals to senior management (29%) and broadening minds to think globally and act locally (29%). Other recommendations with a response rate of 14% each were to

increase coaching and mentoring , train internationally and regionally, expose staff to regionally and international market, increase robust performance management systems, and to exercise international assignments an projects.

4.18 SUMMRY OF THE CHAPTER

The chapter has presented findings on methods of developing local talent adopted by multinationals operating in Zimbabwe. It also looked on the challenges, benefits and strategies used by multinationals in developing local talent. These findings were discussed by linking with the literature reviewed by the study. The next chapter presents major conclusions and recommendations of the study.

CHAPTER FIVE

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents the study summary, conclusions and recommendations. The chapter will either accept or refute the study proposition and finally the chapter will present the area of further study.

5.2 CONCLUSIONS

Local talent was defined as performance management, or management of trainees. Generally, this involves training programmes that are undertaken by organisations to equip staff (both old and new) with skills of the job.

The study found that multinationals in Zimbabwe develop local talent through performance management, through signing off by employees on individual development plans, management will identify talent in their talent reviews meetings and through development of training articles which are given out to employees.

Key drivers of local talent development in multinational organisations operating in Zimbabwe were found to be; company values and policies, business effectiveness, local culture/language/practices, recruitment cost and legislative requirements in that order of priority. The findings support the assertion that multinationals transpose their organisational values across its operations. Whilst this is commendable such transposition should take into consideration local legislation and practices. Language is a distance fourth in priority largely because of the deduction made above that local employees are well versed in the English language and therefore there is not much language problems.

The study found that multinationals in Zimbabwe spend less money on developing local talent. It was discovered that these companies do not have enough resources to fund for the development local talent. Non availability of resources particularly finances is due the fact that there is not enough foreign currency around to use for staff development.

The study established that there are very few local employees who are being promoted to higher ranks. This proved that there is either no adequate talent in the country to occupy senior positions in these organizations. This may have further been exacerbated by the skills flight that has seen an increase of Zimbabwean professionals migrating to the diaspora . The migration rates have steadily increased over the years rising from 5.7% in 1985 steadily increasing to 21.4% in 1995 and further rising to 45.7% in 2002. On the other hand the skills marketability overseas and regionally shows that intellectual capital and physical labour of Zimbabweans is valuable. Southern African Migration Project (2002). The most affected sectors are health and teaching professions as well as the accounting and technical skills.

It was found that effective utilisation of advanced technology is determined as much by an organisation's record of training and development as by any new-found desire to be the best.

The analysis further found that local employees preferred to be mentored by local leadership within their organisations, or local external mentors in comparison to being mentored by expatriates. This means that employees prefer being groomed by their own. This could be due to the short term expatriate assignments which ranged from 2-3 years thus not adequate for the expatriate to grasp the local operations and then train or groom someone. This could have a negative impact and could be the reasons for continued influx of expatriates and non promotion of locals. This also limits the effectiveness of expatriates.

It was found that all organisations planning to relocate, particularly to another continent, should thoroughly understand the local practices that are at odds with their own cultural

imperatives.

Most multinational organisations operating in Zimbabwe do not have expatriate training programs in their organisations. This indicates that multinationals do not appreciate the significance of expatriate training and how it impacts on organisational performance.

The following challenges were found to be facing multinationals in Zimbabwe;

- a. High employee turnover
- b. Lack of commitment and time for coaching and mentoring by management
- c. Lack of resources
- d. Unwillingness by locals to learn

In order for multinationals to address challenges listed above, they are employing the following methods;

- a. International Talent Scouting
- b. Development of skills for management
- c. Assistance from sister companies

The study established that development of local talent will benefit by exposing talented staff to international best practices in their organisation, by improving staff retention, and by enhancing good corporate citizenship. Furthermore it would result in recruitment costs and ensures continuity of the organisational culture. The employees would be highly motivated and would give back much more to the organization through enhanced performance.

The ability to transfer knowledge effectively and omni-directionally throughout the organisation is important as source of competitive advantage.: “knowledge is the primary resource of competitive advantage for individuals and the economy overall”. If this is true then the creation of new knowledge must be a key process for both organisational learning and organisational effectiveness.

It is recommended that multinationals in Zimbabwe should understand that knowledge is a valuable resource, then the need to share it, to deliberately communicate it to the entire workforce, becomes apparent. This sharing of knowledge has many advantages, not least the open access the company gains to the knowledge bank of customers, suppliers and distributors in any such reciprocal arrangements.

Management training methods used by multinationals in Zimbabwe are performance management, leadership development, motivational programmes, mentorship programmes and teamwork building.

Most of the talented staff is lost to regional labour market and international market. The industry is also losing its talented staff to local industry of the same nature

Talented staff also leave their organisations because of reward issues with, no career progression, new opportunities and others are running away from tough economy.

5.3 RECOMMENDATIONS

The study recommends that;

5.3.1 Corporate Strategies in Developing Local Talent

Multinational in Zimbabwe should value the human assets of organisations; even though people do not appear in the balance-sheet they are assets in that they are or should be a productive resource. "A resource that needs maintenance and proper utilisation, that has a finite life and an output greater than its cost". The development of human capital should therefore be at the core of the organizations' business strategies and ensure that talent developmental plans are in sync with organisational goals.

There is also however a greater need for the multinationals to realize and appreciate the dedication and resilience of local talent by ensuring that they are not ring fenced in terms

of their personal development. Instead multinationals should come up with robust strategies meant to prepare and groom local talent to manage the local operations by exposing them to other markets. This would not only enhance their skills but would also ensure that when things turn for the better in Zimbabwe those organization that would have made their hay now would have a competitive advantage. It is therefore recommended that the MNCs continue with the talent development programmes and adapt them to the ever changing environment in Zimbabwe and also address skills flight by putting in place short and long term measures to be able to respond to the normalization of the situation as the current malaise is not going to last forever. For the Zimbabwean talent that is in the diaspora and that has been seconded to other subsidiaries it would be necessary to reorient them to the local environment so that they are not out of

Local talent can also be developed and utilised without having to move them to other countries as is the case with Indian professionals. The cost to the multinationals would be minute and the local staff if appropriately rewarded and motivated would prefer to stay at home. The expatriates that have the benefit of working in the difficult Zimbabwean environment become better and resourceful managers than their counterparts that work in stable environments and hence do not have to daily think on their feet.

5.3.2 Benefits of Developing Local Talent

Unlocking the knowledge resources of an organisation is vital for its long-term survival, yet only a handful of organisations have found the key that opens the door to effective knowledge diffusion and success. One of the easiest ways of achieving an appreciation of the indigenous culture is to ask other multinational organisations that have already established a presence in your preferred location. Collectively, family and personal adjustment problems, not technical competence, are the main concerns for executives on foreign assignments. It is recommended that multinationals consider the needs for expatriates who will help in identifying the sustainable sources of competitive advantage. Furthermore expatriates assignments should be extended if expatriates are to be effectively used for transfer of knowledge and management skills.

5.3.3 Challenges Encountered by Multinationals in Developing Local Talent

With regards to challenges on the availability of resources, organisations must provide opportunities, resources and rewards for the continual development of their workforce or risk losing their greatest competitive asset. Increasingly information technology and computers are becoming the single most important way for companies to create knowledge repositories and encourage learning. Knowledge and understanding are critical factors for learning initiatives and that information technology, particularly group decision support systems, can be very effective in transferring such information.

Multinationals should take in to account the fact that, even though training is very key, some commentators believe that those organisations that are developing company-wide learning programmes are stimulating their employees to take better advantage of the status quo, while others argue that the aspiration of becoming a learning organisation is not only necessary but essential for long-term survival and the rate at which individuals and organisations learn may become the only sustainable competitive advantage.

5.3.4 Supportive Culture for the Growth of Local Talent in Multinationals

It is recommended that due to realities of global competition and increased customer sophistication organizations should focus on the need to integrate technological development within a “learning culture”. While much has been written on the importance of evolving a “learning culture”, less attention has been given to understanding in a practical way the demands advanced technology places on organisational systems. There is a growing realisation that long-term organisational success is more dependent on the manner in which an organisation exploits its intellectual than on any state-of-the-art technological interventions.

The multinational should invest more in developing local skills and competencies by engaging local service providers in partnership to enhance staff development. There is need for MNCs to assist the local service providers to be upskilled to the MNCs

standards. Such strategies would provide long term benefits to the MNCs. Furthermore it will be a ripple effect to local companies that would also benefit from best practices programmes.

Part of an organisation's talent management strategy has to center on leadership to ensure that managers are equipped with the knowledge, right skills and confidence required to play a leadership role in managing talent. Thus management should be able to efficiently identify talent and manage its development by accepting accountability for this crucial role. Managers who have continuously developed their skills are more likely to pass them on to others and to coach them to attain the same achievements. Management styles are therefore critical in ensuring success of developing talent within an organization. This is the reason why there is a growing need for a 'lighter touch' approach that allows employees to be creative and align their aspirations to the overall organisational purpose and goals.

Management of training is key because it is the performance of the overall organisation that determines its survival; therefore it is necessary to retain control, ensure acceptable standards are sustained and that the necessary actions are being taken to correct deviations from agreed standards.

It was recommended by the respondents that multinationals in Zimbabwe should embark more on the following;

- More regional and international exposure
- Regional and international training
- Appoint locals to senior management
- More coaching and mentoring
- Broadening minds to think globally and act locally
- More robust performance management systems
- Adopt best practices
- Share information amongst local operations
- Expose staff to regionally and internationally market
- International assignments and projects

5.4 AREA OF FURTHER STUDY

The study proposes an area of further study to investigate the causes and effects of labour unrest and staff turnover in the country generally and specifically in multinational organizations, and the impact and implications this has had on the socio economic environment. It would also be useful to undertake a study to track skills flight to determine among other things how many of such personnel has been recruited by multinationals and if there are in top management positions in those companies. This would be interesting as there is an assertion that by 2010 the top 200 managers from around the world for any multinational would be composed of greater cultural and ethnic mix than is the current position. Working towards this goal would require a lot of investment in training and socialization to ensure that the organisations get the balance right through complex blend of local sensitivity and global knowledge. sync. and to map ways of attracting such skills back to the country.

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APPENDICES

Appendix 1

FOR OFFICE USE ONLY: Respondent Code: _____

VOLUNTARY QUESTIONNAIRE FOR MULTINATIONAL ORGANISATIONS OPERATING IN ZIMBABWE

“How are multinationals operating in Zimbabwe developing local talent.”

Researcher: Samukeliso Ndebele
Supervisor: Dr Abdul Kaper
School/ Programme of MBA
University of KwaZulu Natal

Note to the respondent

We need your help to understand how your organization is developing local talent in Zimbabwe, the challenges faced and the benefits of developing local talent.

Although we would like you to help us, you do not have to take part in this survey.

If you do not want to take part, just hand in the blank questionnaire at the end of the survey session.

What you say in this questionnaire will remain private and confidential. No one will be able to trace your opinions back to you as a person.

How to complete the questionnaire

1. Please answer the questions as truthfully as you can. Also, please be sure to read and follow the directions for each part. If you do not follow the directions, it will make it harder for us to do our project.

2. We are only asking you about things that you should feel comfortable telling us about. If you don't feel comfortable answering a question, you can indicate that you do not want to answer it. For those questions that you do answer, your responses will be kept confidential.

3. You can mark each response by making a tick or a cross, or encircling each appropriate response with a PEN (not a pencil), or by filling in the required words or numbers.

Thank you very much for completing this questionnaire.

Part 1: Permission to use my responses for academic research

I hereby give permission that my responses may be used for research purposes provided that my identity is not revealed in the published records of the research.

Initials and surname _____ Postal address: _____

Contact numbers: Bus: _____ Cell: _____

Signature: _____

PART 1: YOUR GENERAL ORGANISATIONAL PARTICULARS

Please tell us a little about your organization

Please respond to each question below and mark only ONE option where applicable.

1. Company name _____
2. Designation of respondent completing questionnaire _____
3. Sector Industry _____
4. Nature of business operations _____
5. No of countries the company operates in _____
6. Total No. of employees in the Zimbabwean operation _____
7. No. of expatriates _____
8. No. of local employees in middle and senior managerial positions _____
9. Is the Managing Director/Chief Executive local or foreign:
 - a. Local
 - b. Foreign
10. How many locals have regional/international responsibilities?

11. How many locals have been seconded to other countries?

12. How long are the secondments?

PART 2: IDENTIFYING LOCAL TALENT?

13. Briefly explain in your own words what you think talent development is:

14. Does your organization have a talent development program/process

- a. Yes b.No

15. Briefly describe your organisation's talent development process

16. Do you think the process/program is successful?

- a. I Strongly agree
b. I strongly disagree
c. I agree
d. I disagree

17. What are the key drivers of talent development in your organization?

Please rank in order of priority one being highest priority?

- a. Legislative requirements
b. Operational business effectiveness
c. Recruitment costs
d. Company values/policy
e. Local culture/language/practices

18. How much does your organization spend on developing local talent expressed as a percentage of the annual payroll bill?

19. Where does your company resource from?

- a. internal
b. external
c. both internal and external

20. How many employees have been promoted to junior management in the past year expressed as a percentage of the total workforce?

21. How many employees have been promoted to middle management in the past year expressed as a percentage of the total workforce?

22. How many employees have been promoted to senior management in the past 2 years expressed as a percentage of the total workforce?

23. If your answer to question 9 above is that the MD/CEO/Business Unit Leader is foreign are they plans to appoint a local in the next 2 years?

PART 3: TRANSFER OF SKILLS

24. What are the different skills needed by recruiters when going from a local recruiting perspective?

25. What is the average expatriate tenure on Zimbabwean assignments?

26. Are the locals understudying any expatriates in your organisation?

- a. Yes
- b. No
- c. There are no expatriates

27. Does your organization have mentorship program?

- a. Yes
- b. No

28. Whom do the locals prefer to mentor them in their careers

- a. Local leadership within the organisation
- b. local external leaders
- c. expatriates

29. How does a progressive Human Resources team evolve from a local or national perspective to a global focus?

30. What is the average secondment tenure?

31. What are the markets to which locals are being exposed to?

- a. local
- b. regional
- c. international

32. When locals are posted on secondment?

- a. Yes b. No

33. Does the company also relocate their families?

- a. Yes b. No

PART 4: WHAT ARE THE BENEFITS AND CHALLENGES OF DEVELOPING LOCAL TALENT?

34. Please list below benefits that your organization derives from developing local talent?

35. Does your organization promote local developmental programmes outside the internal process?

- a. Yes b. No

36. If yes please state such programmes below:

37. What are the benefits derived from programmes listed above?

38. Please list five challenges that your organization faces in developing local talent?

39. How is organization addressing these challenges?

PART 4: TALENT RETENTION

40. What management training is required to assist leaders in managing their local workforce?

41. Does your organization have retention strategies?

- a. Yes
- b. No

42. Briefly describe your organisation's retention strategies.

43. To whom do you lose your talented staff?

- a. Local same industry/sector
- b. Other local industries/sectors
- c. Regional labour market
- d. International labour market

44. How fast is your organisation losing talented staff members?

- a. Very fast
- b. Fast
- c. Slowly
- d. Very slow
- e. Not at all

45. What are the major reasons for staff leaving your organization?

46. Are expatriates well accepted by local staff in your organization?

- a. Yes
- b. No

PART 4: WHAT CAN YOUR ORGANISATION DO BETTER

47. Briefly describe what can your organization do better to identify and develop local talent in the organization?

48. Does your organization set targets on 'localisation'?

- a. Yes
- b. No

49. If yes have the targets been met?

- a. Yes
- b. No

50. Is there a formal talent development formal follow up?

- a. Yes
- b. No

51. In your view, what is the impact of new technology to the HRM in the development of local talent?

52. What are the performance targets on local talent development?

53. What are the recommendations do you have concerning the development of local talent by Zimbabwean Multinational Organisations?

END OF QUESTIONNAIRE

THANK YOU FOR YOUR EFFORT AND TIME

RESEARCH OFFICE (GOVAN MBEKI CENTRE)
WESTVILLE CAMPUS
TELEPHONE NO.: 031 – 2603587
EMAIL: ximbap@ukzn.ac.za

25 JULY 2007

MRS. S NDEBELE (200501296)
GRADUATE SCHOOL OF BUSINESS

Dear Mrs. Ndebele

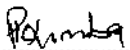
ETHICAL CLEARANCE APPROVAL NUMBER: HSS/0793/06M

I wish to confirm that ethical clearance has been granted for the following project:

“How are multinationals operating in Zimbabwe developing local talent”

PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years

Yours faithfully


.....
MS. PHUMELELE XIMBA
RESEARCH OFFICE

cc. Post-Graduate Office (Christel Haddon)
cc. Supervisor (Dr. A Kader)
→ cc. Mr. M Challenor