

The Supervisor as the Manager of Performance and Organizational Commitment in Multinational Corporations

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Multinational corporations (MNCs) transcend borders and operate in countries where there is often a notable cultural diversity between the supervisors (expatriates) and the employees (local). Sometimes the differences are quite evident and they force foreign managers to pursue strategies that will enable companies to adapt, transform or redefine their human resources policies and practices in order to attain a greater sustainable competitive advantage. The researcher Greene (2011) writes: “Organizations wishing to effectively attract, retain, motivate and satisfy high quality diverse workforce must *recognize* cultural differences, *respect* them and *reconcile* them”.

One of the strategies that MNCs use to deal with these differences, maintain control and establish general guidelines that focus on the organizational actions of the subsidiaries is the human resources policies and practices and the leadership of the international supervisors. Research carried out in recent years address these issues. For example, Kubo (2013) analyzed the cultural adjustment of 37 Japanese executives at 21 subsidiaries in different sectors in Brazil, and Hernández (2010) conducted a critical and comparative analysis of cross-cultural training that four companies operating in Puerto Rico offer the employees and families they send abroad. In addition, Hernández defined the main function of the human resources management of each organization and identified cross-cultural training needs of expatriates and their families, so that they can succeed in international assignments.

The processes associated with the parent company and its subsidiaries are extremely complex. Situations that are different from those projected by the management of the MNC frequently occur. Therefore, from the point of view of senior management, it is imperative to go beyond strategic or financial considerations and corroborate the human resources problems that emerge in these processes. For example, various studies indicate that more than a third of the mergers fail within five years and that the majority of these failures are due to factors related to human resources. The main problem has to do with two situations that trigger clashes between the two companies (the parent and local). One is the replacement of the managers of the subsidiary by those from the parent company who come into contact with the personnel of the subsidiary. The other is the strategic decision of the parent company related to the design of the human resources system that will be implemented in the subsidiary or the degree of similarity or difference between the human resources system of the parent company and that of the subsidiary, as a result of the implementation of human resources practices and policies used by the expatriates.

It is very important for top management of the MNCs to understand how satisfaction with the implementation of the human resources policies and practices and the satisfaction with the leadership of the supervisors are related to the organizational commitment of the supervised employees. This question addresses two important elements of organizational commitment, which should be considered separately. The first is the implementation of the

human resources policies and practices on the part of the supervisors, and the second is their leadership.

Recently, a study done on a MNC in Puerto Rico produced the following results and conclusions:

The satisfaction felt by the supervised employees with the manner in which supervisors implement human resources policies and practices has a relationship with organizational commitment. This relationship has a positive correlation coefficient between the two variables and is statistically significant ($r=0.42$). It is important to note that all the dimensions of organizational commitment established by Meyer and Allen (1997; continuance, normative and affective commitments) show the same statistically significant relationship result ($r=0.27$, 0.39 and 0.37).

These results are very important because if management can increase satisfaction with human resources policies and practices, the organizational commitment will grow. The same thing occurs with each of the dimensions. These findings confirm the results of the research conducted by Hutchinson and Purcell (2003), who conclude that there is a symbiotic relationship between the supervisors' application of the human resources policies and practices and the set of attitudes of the employees, such as job satisfaction and organizational commitment. Therefore, it is advisable to align human resource management with the organizational strategy (strategic adjustment) and to articulate the different practices of human resources management, such as opportunities for career development or the training and evaluation in the organization (internal adjustment), which are important factors in the relationship between human resource management and organizational performance. This alignment has an impact on the organizational commitment of the employees, reflected in their having more frequent attitudes that have been empirically linked to better job performance, lower absenteeism, less turnover and increased employee participation and involvement.

In regard to the second element, a positive and statistically significant correlation coefficient between the two variables ($r=0.41$) was found in the relation between the satisfaction of the supervised employees with the supervisor's leadership and the degree of organizational commitment. The affective commitment, in which a moderate and significant coefficient ($r=0.30$) was obtained, was emphasized in the analysis by dimensions. This affective commitment is related to the emotional components of employees in their organization that instill a sense of pride or belonging to the organization. Meyer and Allen (1997) define affective commitment as "positive feelings of identification with, attachment to and involvement in the work organization." Conceptually, in this dimension of the commitment, employees exhibit three characteristics: first, they are convinced and agree with the goals and values of the organization; secondly, they are eager and exert their effort for the benefit of the organization; and thirdly, they feel an obligation to remain as members of the organization.

In summary, the results of this study show the importance of the employee's perception of both the human resources policies and practices and the supervisor's leadership. In both cases, the results show a positive and statistically significant correlation. In other words, the

greater the satisfaction with these variables (human resources policies and practices and leadership) is, the greater the organizational commitment of the supervised employees and their individual, group and organizational performance are.

Another variable examined in the study is whether there is any difference in the organizational commitment among groups of employees led by expatriate and local supervisors. It dealt with verifying if there are differences between the average level of organizational commitment of the supervised employees led by expatriate or local supervisors, and whether being supervised by an expatriate is associated with satisfaction in the implementation of the human resources policies and practices and if this satisfaction, in turn, has a relationship with the organizational commitment of the supervised employees. In other words, there was interest in knowing the relationship of the employee groups led by expatriate supervisors and the satisfaction of the supervised employees with the implementation of the human resources policies and practices and their organizational commitment.

The results from the employee groups led by expatriate supervisors indicate that these cannot be considered decisive in the organizational commitment of the supervised employees because there are no significant differences. As noted, the inclusion of the interaction between the variable of the employee groups led by expatriate supervisors and the variable that predicts satisfaction with the implementation of the human resources policies and practices was not associated with an increase of 22% in the organizational commitment among the groups. The significance of these results is that the supervisor, whether expatriate or local, has no influence over the increase or decrease of the organizational commitment of their supervised employees, unlike the other factors (see Table I). In regard to the relationship of the independent variable (employee groups led by expatriate supervisors) and the organizational commitment of the supervised employees, there were no specific measurements, outside the investigations that have been referred to, of the performance of expatriates in the multinational companies. For this reason, we have no comparison framework with these results.

Table I
Predictors of organizational commitment when the supervisor is an expatriate

Variable	Organizational Commitment		
	Model 1	Model 2	
	<i>B</i>	<i>B</i>	IC 95%
Constant	3.47	3.40***	[3.25, 3.54]
Expatriot (dummy: 0 = locales)	-0.06	0.10	[-0.12, 0.34]
Satisfaction with the human resources policies and practices		0.45**	[0.08, 0.45]
Interaction		-0.02	[-0.27, 0.24]
R^2	0.004	0.16	
F	0.31	5.35***	
ΔR^2	0.004	0.00	

Note: N = 91.

p < .01; *p < .00.

Two factors may influence the relationship of the employee groups led by expatriate supervisors and their effect on organizational commitment: first, the concept of cultural intelligence on the part of the expatriates; and secondly, the amount of time the expatriate is assigned to the host country.

Cultural intelligence is the seemingly natural capacity of a foreigner to interpret the unfamiliar and ambiguous gestures of people from another country (DeCieri, 2008). In this sense, the success of expatriation depends to some extent on the cultural intelligence of the individual. Expatriates with a high level of cultural intelligence should be able to adapt well to the culture of the host country, knowing what characteristics of the local cultural context will serve them and their family. From the research related to cultural intelligence, it may be concluded that it is important for human resources managers to design and implement initiatives for the selection of employees, as well as for the development and performance management to improve cultural intelligence.

In regard to the length of time of expatriation, the expatriates had been at their jobs between 5 and 10 years at the moment of the investigation. This is a determining factor for these results, because the longer supervisors have been in another country, the better they understand its culture. Time gives the expatriate the tools needed to exercise effective leadership and to deal with the problems of cultural differences.

References

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