

# The Journey of Expatriates from pre Expatriation to post Expatriation

**Sweta SINGH**

IBS, Hyderabad, India

E-mail: singhsweta77@gmail.com

Phone: +91 9603385937

## *Abstract*

*Business has become increasingly international in the last few decades. The development of research which targets the adjustment of expatriates in the foreign cultures is due to the international movement of human resources. The best way to prevent expatriate failure- provides effective preparation, support and training to the expats and their tailing families. In the literature various theories and models explaining cross-cultural adjustment have been adequately discussed. These theories and models provide a framework that leads to consistent and more powerful findings. This study proposes a theoretical framework based on the basis of comments of previous researchers.*

**Keywords:** *expatriate, adjustment, selection, acculturation, repatriation*

**JEL classification:** M16, M51

## **Introduction**

As a determinant of competitive advantage and being critical to success and survival of multinational corporations (MNCs), it is becoming increasingly important to create and combine the imperfectly and non-substitutable resource of a MNC, “the Human Resources” (Barney, 1991). According to Barney every firm have resources and capabilities, but what leads to performance of a firm is the exploitation capability of that firm. In response to this call the MNC going global send employees from their home country to host country with the objective of position filling, management development, and organization development (Harzing, 2001). But this accounts for problem as well and are facing problem especially when the acculturation, which is exchange of cultural features that results when groups of individuals having different cultures come into continuous first hand contact, of expatriate takes place. This is evident by significant rates of the premature return of expatriate managers (Baker & Ivancevich, 1971). The need for global strategic perspectives increases as international competition continues to intensify. On a global scale one of the greatest challenges is how to manage human resources. A global business strategy requires global human resource systems and globally competent people that need to be implemented successfully. Human resource personnel need to maximize the potential of each employee due to the multi-faceted nature of their employees”. As an attractive method for accumulating foreign markets organizations perceive expatriation as one of the best way. But what is of greatest concern is the challenges of selection and management of the most appropriate individuals.

### **Statement of the problem**

In a recent study it was found that the approximate cost of expatriate failure is about US \$ 250000- US \$ 1 Million approximately (Vogel et al, 2008). This failure has indirect cost associated with it due to damaged relation with host country and negative impact on employee morale. The best way to prevent expatriate failure- provides effective preparation, support and training to the expats and their tailing families (Vogel et al, 2008). This paper intends to study the expatriate management from the pre-expatriation stage of selection to post expatriation stage of repatriation.

### **Significance of the study**

This study contributes to expatriate research in several ways. In the literature various theories and models explaining cross-cultural adjustment have been adequately discussed. These theories and models provide a framework that leads to consistent and more powerful findings. This study proposes a theoretical framework based on the comments of previous researchers. A model is proposed and designed.

### **Purpose of the study**

Consistent with the overall strategic human resource plan, sending expatriates abroad to develop global competencies is also consistent for many organizations. The purpose of this research focused on examining the relationship between various variables that may influence expatriate management. Expatriates find these programs as a developmental experience and it was found that 80 percent reported being able to communicate more effectively with people from culturally diverse backgrounds 90 percent reported an increase in their global perspectives, and 80 percent were better able to comprehend business trends (Liu & Lee, 2008).

## **1. Definition**

### **Expatriate:**

An employee who is sent by a multinational parent company on a work assignment to a foreign nation, he/she is called an expatriate (Liu & Lee, 2006).

### **Cross-Cultural Adjustment:**

The process of adaptation to living and working in a foreign culture is what is termed as cross-cultural adjustment. It is the perceived degree of psychological comfort and familiarity a person has with the new host culture (Liu & Lee, 2006).

### **Why Expatriation is Important:**

Inter-subsiary communication and coordination may be facilitated by expatriate assignments. Corporate culture through assimilation and socialization, and would therefore communicate goals and objectives in the manner in which they were intended since expatriates are from home culture only. Aid in forming linkages with other nations can be done by the use of expatriates in overseas subsidiaries.

It can enhance the competitiveness of firms operating abroad by ongoing relationships with host-country governments, domestic businesses, and other interest groups. It also increases the international experience and knowledge base

of present and future manager. Organizations can gather and maintain a resident base of knowledge, which in turn helps with the complexities of international management.

## 2. Literature review

### *Selection of expatriates*

The selection of an individual is a critical function in organizations because this requires setting of criteria on the basis of which individuals can be screened and selected. After the need of sending individual to host country is determined the next phase is to select the expatriate. There are numerous factors on the basis of which the development and selection of managers for overseas assignment can be relied on. Some of these include Managerial competence, Technical competence, Cross-cultural competence/adaptability, Personal stability, Previous international experience, Family stability, Language skills, Knowledge of foreign country, Marital status (Haslherge & Stroh, 1992). Apart from these, Intercultural Communication skills and Intercultural sensitivity also can be effective criteria for selecting an expatriate. Intercultural communication skills have been identified in the majority of studies focusing on capabilities for international tasks where as intercultural sensitivity is the emotional capability to be sensitive toward individuals from a different national culture (Graf, 2004). Intercultural competence measures did predicted ratings of intercultural decision quality in an intercultural organizational scenario. (Graf & Harland, 1992)

### *Training of expatriates*

After an individual is selected, the next phase is to train the individual for the overseas assignment. The training can enhance the chance of expatriate success. Even only the provision of training can influence the expatriates. The expatriates themselves tend to be more positive if there is provision for training while companies are often uncertain about the value of training for expatriate assignments. With the destination of the expatriate responses to the provision of formal training programs will vary. It was interesting to find that the value of training will vary with the point at which they were asked their views (before, during, and after assignment) and with the anticipated length of the assignment (Brewsetr). Environmental briefing, basic culture orientation, and some language training (Mendenhall & Dunbar, 1987) also facilitated the expatriate success. Language, cultural awareness, country specific information, cultural assimilation, flexibility, and local business norms. (Romero, 2002) were other factors that enhanced expatriates with learning about how to adjust in host country.

### *Acculturation of expatriates*

Four dimensions that were related to successful expatriate acculturation was revealed in a review of empirical studies that directly investigated the overseas adjustment of expatriate manager (Liu & Lee, 2008). These are:

- (1) self-orientation: the activities and attributes of a person that strengthens his/her self-esteem and confidence.
- (2) other-orientation the person's ability to develop relationships with host nations.

(3) perceptual skills: being non-evaluative and non-judgmental. Because they are more willing to update their beliefs to fit with the foreign culture, expatriates who are highly perceptive will be adjusted more quickly.

(4) cultural toughness: the living standard of the foreign country.

#### *Antecedent of adjustment process*

The positive emotional state resulting from the overall evaluation of one's job, also called job Satisfaction. The degree to which family members are helpful and supportive of each other and the extent to which family members are concerned and committed to the family headed as family support. An individual's motivation, desire, or readiness to learn i.e. learning orientation is also the antecedent of adjustment process. Organizational Socialization also determines the adjustment process. It is the process whereby an individual develops an understanding of the value, expected behaviours, and social knowledge that are essential for assuming an organizational role and for participating as an organizational member (Lee & Liu, 2006).

Shaffer studied and mentioned a lot of variables that are antecedent of adjustment process. They are (Shaffer et al, 1999):

#### JOB FACTORS:

- Inhibiting Factors: Role – Conflict & Role- Novelty
- Facilitating Factors: Role Clarity & Role Discretion

#### ORGANIZATIONAL FACTORS:

- Inhibiting Factor: Organizational cultural novelty
- Facilitating Factors: Social & co-worker support, Logistics support

#### POSITIONAL FACTORS:

- Hierarchy
- Functional Area
- Assignment Vector

There are General, Interaction, Work adjustment variables that are individually related to Individual, work related, environmental, family related (Hechanova et al, 2003). Work role characteristics were found to be the most significant predictor for the adjustment of the expatriates. External locus of control also has a positive impact on the adjustment (Lii et al, 2008). In a similar study personality trait was found to be related with adjustment. Extroversion and agreeableness are both positively related to interaction adjustment (i.e. relationships with local people). Expatriate's work adjustment is positively related to his or her openness to experience (Huang, 2005).

#### *Adjustment*

Adjustment in expatriate management is defined as the degree of comfort or absence of stress associated with various integral features of being an expatriate. One of the most studied phenomenon in expatriate management is the adjustment process in the new culture. In a study of adjustment process, five dimensions emerged as components of the cross-cultural adjustment process (Liu & Lee, 2008):

- (1) pre-departure training;
- (2) previous overseas experience;
- (3) organizational selection mechanisms;

- (4) individual skills; and
- (5) non-work factors.

In a similar study Breiden and friends found the following expatriate work adjustment determinants (Breiden et al, 2005): Task significance, Organizational commitment, Emotional satisfaction. Black is one of the pioneer in expatriate literature. He was to give an integrated model of International Adjustment which had three dimensions: Work Adjustment, Interaction Adjustment with foreign country nationals, Cultural Adjustment. The factors affecting expatriate adjustment are (Black et al 1991):

- Anticipatory adjustment factors: Individual (pre-departure training, previous international experience etc) and Organizational (effectiveness of selection procedure).
- In-country Adjustment factors: post departure adjustment issues.

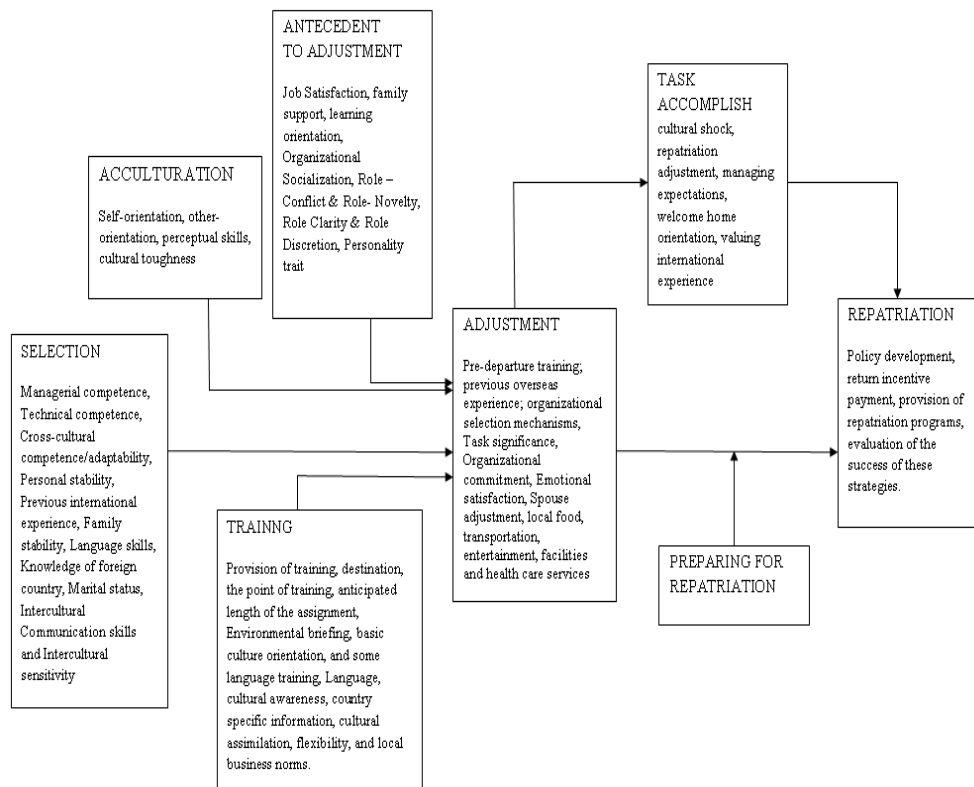
In determining adjustment factor spouses are found to impact the quit decision of expatriates. Three categories of spouses: Housewives, Male Spouses, Dual Career spouses. Spouse can have influence on partner's decisions to quit the assignment (Andreason, 2008).

According to Shrinivas et al adjustment comprises of three main dimensions: cultural (factors such as general living conditions, local food, transportation, entertainment, facilities and health care services in the host country. These are comfort associated with various non-work), interaction (the degree of comfort associated with interacting with host country nationals both inside and outside of work) and work (the assignment job or tasks itself) (Shrinivas et al, 2004). Since the variables determining the adjustment process will vary for men and women since they are liable for different responsibilities Caliguri and his friends did a study on women expatriates. Family support and the company were found to be related to cross-cultural adjustment (Caliguri et al, 1999). In studying general adjustment factors different studies have listed the factors that can influence the same. Pre-move attitudes towards an international move, job satisfaction, role novelty, managements' view on the effect of an international assignment on one's career, assurance of a job upon return, the cultural toughness of the host country, and the spouses' adjustment were among the same (Stroh, 1994).

#### *Repatriation*

Even if an individual is sent for an international assignment but the problems are at times faced by individuals when they come back from the assignment to the home country. There are various factors that can influence the repatriation of an individual when back in the home country. In accounting for these variables a model for developing an effective repatriation support process was given by Chew et al. There are four factors that have an impact (Chew & Debowski, 2008). Policy development: Recognising the possible stress repatriation may cause the support of the company during the time of transition. The policy regarding an affirmation of the value of expatriates to the employer and the importance of their skills upon his/her return. The second factor is incorporating a return incentive payment to compensate for dislocation effects. This provides assurance to the expatriates. The third factor is the provision of repatriation

programs. This includes determining senior management colleague who will ensure effective contact is maintained. And the fourth factor is the evaluation of the success of these strategies. The focus should be on four aspects while determining the evaluation process can: the impact of the programs on repatriate retention, satisfaction and job commitment (outcome measures) the participant's assessment of the effectiveness of different strategies (process evaluation); the identification of gaps in support that should be remedied (deficit audit); and continuous benchmarking of the overall strategy against other similar businesses (quality assessment). After the expatriates return Quality of interaction with sponsors and perception of support upon return were also found to be relevant (Jassawalla et al 2004). Reverse cultural shock, repatriation adjustment, managing expectations, welcome home orientation, valuing international experience were also found to impact repatriation adjustment (Martin et al, 2006). According to Black (1992) the repatriation adjustment was found to be affected by two sets of variables. These included Anticipatory adjustment Individual variable (Time overseas, visits home) Job variables (task, Interdependence) Organizational (sponsor, pre return training) Non work Variables (cultural distance). The second set of variable was In-Country Individual variable (Need for role control, expatriation adjustment) Organizational (post arrival training, repatriation career objectives) Non-work Variables (social status, housing conditions, spouse adjustment).



**Figure 1 The framework of planning the expatriate management**

## References

1. Andreason AW (2008), "Expatriate Adjustment of Spouses and Expatriate Managers: an Integrative Research Review", *International journal of management*, Vol. 25 No. 2 pp 282-295
2. Black JS, Gregersen HB, Mendenhall ME (1992), "Toward a theoretical framework of repatriation adjustment", *Journal of International Business Studies*, Vol. 23 NO. 4 pp 737-760
3. Breiden O, Mirza HR & Mohr AT (2004), "Coping with the Job Abroad", *Int. Studies of Mgt. & Org.*, vol. 34, no. 3, pp. 5–26
4. Brewster C & Pickard J (1994), "Evaluating Expatriate Training", *Int. Studies of Mgt. & Org.*, Vol. 24, No. 3, pp. 18-35
5. Caligiuri PM, Joshi A and Lazarova M (1999), "Factors influencing the adjustment of women on global assignments", *The International Journal of Human Resource Management* Vol. 10, No. 2 pp 163-179
6. Chew J & Debowski S (2008), "Developing an Effective Repatriation Strategy for MNC: A Model and Tools for International Human Resource Management", *Journal of Comparative International Management* Vol. 11 No. 2 pp 3-21
7. Graf A (2004), "Expatriate Selection: An Empirical Study Identifying Significant Skill Profiles", *Thunderbird International Business Review*, Vol. 46(6) 667.-685
8. Graf A & Harland LK (2005), "Expatriate Selection: Evaluating the Discriminant, Convergent, and Predictive Validity of Five Measures of Interpersonal and Intercultural Competence", *Journal of Leadership and Organizational Studies*, Vol. 11, No. 2 pp 46-62
9. Haslherger A, Stroh LK (1992), "Development and Selection of Multinational Expatriates", *Human resource development quarterly* Vol. 3. No.3, pp287-293
10. Hechanova R, Beehr TA, Christiansen ND (2003), "Antecedents and Consequences of Employees' adjustment to *Overseas assignment: A Meta-analytic Review*, *Applied Psychology: An International Review*, Vol. 52 No. 2, pp 213-236
11. Huang TJ, Chi SC and Lawler JJ (2005), "The relationship between expatriates' personality traits and their adjustment to international assignments", *Int. J. of Human Resource Management* Vol. 16 No. 9 pp. 1656–1670
12. Jassawalla A, Connolly T and Slojowski L (2004), "Issues of Effective Repatriation: A Model and Managerial Implications", *SAM Advanced Management Journal* pp 38-46
13. Lee HW & Liu CH (2006), "Determinants of the Adjustment of Expatriate Managers to Foreign Countries: An Empirical Study", *International Journal of Management* Vol. 23 No. 2, pp 302-311

14. Lii SY & Wong SY (2008), "The antecedents of overseas adjustment and commitment of expatriates", *The International Journal of Human Resource Management*, Vol. 19, No. 2, February 2008, 296–313
15. Liu CH & Lee HW (2008), "A proposed model of expatriates in multinational corporations", *Cross Cultural Management*, Vol. 15 No. 2, pp. 176-193
16. Martin DC & Anthony JJ (2006), "The Repatriation and Retention of Employees: Factors leading to Successful Programs", *International Journal of Management* Vol. 23 No. 3 pp 620-631
17. Mendenhall ME & Dunbar E (1987), "Expatriate Selection, Training and Career-Pathing: A Review and Critique", *Human Resource Management*, Fall 1987, Vol. 26, Number 3, Pp. 331-345
18. Romero EJ (2002), "The Effect of Expatriate Training on Expatriate Effectiveness", *Journal of Management Research*, Volume 2, Number 2, pp 73-78
19. Shaffer MA, Harrison DA, Gilley, KM (1999), "Dimensions, Determinants, and Differences in the Expatriate Adjustment Process", *International Business Studies*, Vol. 30, Issue 3
20. Shrinivas PB, Harrison DA, Shaffer MA, Luk DM (2005), "Input-based and time-based models of international adjustment: meta-analytical evidence and theoretical extensions", *Academy of Management Journal*, Vol. 48, No. 2, pp 257–281
21. Stroh LK & Dennis LE, Cramer TC (1994), "Predictors of Expatriate adjustment" *The International Journal of Organizational Analysis*, Vol. 2 No. 2 pp. 176-192
22. Vogel AJ, Vuuren JJ and Millard SM (2008), "Preparation, support and training requirements of South African expatriates", *S. Afr. J. Bus. Manage.* 2008,39(3), pp. 33-40