

A DEVELOPMENT OF SOLUTIONS TO THE PROBLEMS EXPERIENCED BY
EXPATRIATES IN MULTINATIONAL CORPORATIONS.

By

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DECLARATION

I, Pamela Misiwe Faas declare that:

- This work has not been previously accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.
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DEDICATION

This dissertation is dedicated to my mother, *Imfengukazi*, **uPriscilla Iris Veliwe Faas**. She made a vow that she will serve the lord and educate her children. Here are the fruits of your prayers and hard work Radie.

(i) SUMMARY

The objective of this study is to investigate the reasons for international assignments ending in failure, using the current models of expatriates' premature withdrawal decisions, so as develop solutions to those problems.

Studies of expatriate failure and effects of expatriate satisfaction on organisational performance have been conducted but most of them in the overseas countries. These studies revealed that the practice of employing expatriates is a strategic move on the part of the multinational corporation to increase the international experience and knowledge base of present and future managers.

Even though studies on strategies that companies can use have been done extensively, research still shows that a large number of overseas assignments end in failure. Failure being described as the premature return to the home country, not being able to adjust in the host company or country and immediately leaving the company upon return from the assignment. It is for this reason that the researcher decided to investigate what could be the reasons that cause the expatriates to return home early.

The research will be of importance to South Africa firstly, as organisations that are operating globally will copy the business systems and processes practiced in developed countries, and later bring knowledge, skills and expertise that will help in boosting the economy of the country. Secondly, the organisation's Human Resource Management will develop practices to ensure the successful and effective retention of expertise. Expatriate failure will be reduced and the process of repatriating expatriates will be meaningful. Individuals assigned will not find it difficult to adjust in the parent company, and later take the skills they have learnt to another company. Thirdly, managers generally will understand the challenges that accompany expatriation, and be able to meet those challenges.

The research becomes an investigative research as one tries to establish if there is concurrence or deviation with the current models. A sample is drawn from a list of international companies that have operations overseas. The researcher has tried to get responses from companies in all provinces of South Africa so that the sample can be fully representative. The questionnaire is used as it is a common instrument for observing data beyond the physical reach of the researcher. The questions were selected to address each of the factors affecting decisions to withdraw from the country of assignment.

Responses from the expatriates have helped to develop a new model that encompasses all the factors that cause the expatriates to leave the assignment early as well to develop solutions to the problems. This will not only help the multinational corporations to save on costs, but will also ensure that the company and the expatriate benefit from international assignment.

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LIST OF ACRONYMS

MNEs	Multi National Enterprises
HRM	Human Resources Management
MNC	Multi National Corporation
HR	Human Resources
SA	South African
BEE	Black Economic Empowerment
NEF	National Empowerment Fund
PDI s	Previously Disadvantaged Individuals
PCNs	Parent Country Nationals
IHRM	International Human Resource Management
R&D	Research and Development
HCNs	Home Country Nationals
CCT	Cross Cultural Training
HC CCT	Home Country Cross Cultural Training
OS CCT	On-site Cross Cultural Training

**A DEVELOPMENT OF A LIST OF SOLUTIONS TO THE
PROBLEMS EXPERIENCED BY EXPATRIATES IN
MULTINATIONAL CORPORATIONS.**

CHAPTER ONE

PROBLEM STATEMENT AND DEFINITION OF KEY CONCEPTS

1.1 INTRODUCTION

South Africa operates in an open economy where many local companies become involved in overseas business ventures, while many foreign companies invest in South Africa. This involvement in global business, together with the supply and demand of human resources, results in mobility of skills and experience that South Africa as a developing nation could benefit from.

Stanley and Ahern (1998: 28) have stated that South Africa is new in the international arena and many employees want to spread their wings. However, because organisations are so new at that they know very little about international assignments and many companies tend to do things on an *ad hoc* basis. This can be dangerous and often leads to failure, not only doing immense damage to the company, but also to the individual and his or her career.

This is also asserted by Greengard (1999: 106) who wrote that for years, the typical global company has provided classroom instruction, binders brimming with facts about a country, and bulletins as thick as a James A. Michener novel - all providing tips on how to behave and avoid potential problems. Unfortunately, even under the best of circumstances, the information is not up to date. And when the system fails, the results can be disastrous for both the employee and company.

According to the European Business Review (2000:1) a survey of the expatriate programmes of 100 organisations revealed that as many as 63 percent of them reported failed assignments. They cited as the main reasons of expatriate failure issues such as cultural difficulties, either of the expatriate or his or her family, personal or family problems and selection of unsuitable candidates for posting.

Other key findings of the research were that the expatriate market had grown by 59 percent and that the number of expatriate assignments would rise in the next five years. Twenty-five percent of managers working abroad reported that their pre-departure expectations were not met by their employers. Expatriates reported that unfulfilled promises and expectations about the job, living and working conditions also affected their levels of performance and job satisfaction.

Lack of organisational support on arrival in the foreign country emerged as another important factor. Studies have been done in South Africa with regard to the problem. An example is that of Stanley and Ahern (1998:20), working for Deloitte and Touche, who are involved in international assignments both for their own organisation and clients.

The male-dominant top management structure of the companies forces them to send married males to overseas assignments and this has its inherent problems. The spouses become bored because some of them do not find work or join social circles immediately. This forces the family to return to the home-country earlier than scheduled. Single women who have made it to the top are seldom considered. This is also revealed in the study, *Passport to Opportunity*,

where it is stated that U.S. Women in Global Business, found that while women comprise 49 percent of mid-management positions in the United States, only 13 percent of expatriates in U.S. corporations are women. Survey respondents believe that women aren't as internationally mobile as men, but 80 percent of female expatriates have never turned down a relocation assignment, compared with 71 percent of men. 77 percent of U.S. women report being effective at building business relationships with men in other cultures (Strout 2001 : 19).

Bender and Fish (1999: 25) believe that in order to build and sustain a competitive advantage, the knowledge and expertise of an organisation's staff needs to be seen as a critical strategic resource. According to Downes, Thomas and McLarney (2000: 122), the cost of sending an employee overseas is three times the executive's home country salary. There are lost opportunity costs associated with a failed assignment. These include lost sales and damaged relationships with governments, customers, suppliers, staff and local employees (Greengard 1999 : 106).

Expatriation literature indicates that premature returns from expatriate assignments are a persistent problem for US companies, fluctuating between 25 and 40 percent on average (Downes, Thomas and McLarney 2000 : 122). This failure to keep expatriates in the host country for the assigned period happens in South Africa as well. Many expatriates who have been assigned overseas have returned prematurely. It is thus for these reasons that the following problems were looked at:

1.2 MAIN PROBLEM

What are the problems experienced by expatriates in international organisations and what can be done to resolve those problems?

1.3 SUB- PROBLEMS

In order to resolve the main problem, the following sub-problems were considered:

- a) What does the literature reveal about the extent and the causes of expatriate failure?
- b) What problems have South African Multinational Enterprises (MNEs) experienced with expatriates and what solutions can they offer?
- c) Which guidelines can be followed to ensure that the interests of both the company and the expatriate are protected, and that international assignments are handled properly?

1.4 OBJECTIVES OF THE RESEARCH

The aim of the research is to provide other strategies that multinational companies can adopt, which will help to minimize expatriate failure as well as to ensure expatriate satisfaction. It is also to eradicate the the myths that prevent women from taking on expatriate opportunities and giving managers insight into how to encourage women to go global.

1.5 SIGNIFICANCE OF RESEARCH

Studies of expatriate failure and effects of expatriate satisfaction on organisational performance have been conducted but most of them in the overseas countries. These studies revealed that the practice of employing expatriates is a strategic move on the part of the multinational corporation to increase the international experience and knowledge base of present and future managers (Downes et al, 2000: 123).

The research will also be of importance to South Africa: firstly, as organisations operating in global competition will copy the business systems and processes practised in developed countries, and later bring knowledge, skills and expertise which will help in boosting the economy of the country. Secondly, the organisation's Human Resource Management (HRM) will develop practices to ensure the successful and effective retention of expertise (Bender & Fish 2000: 25). Expatriate failure will be reduced and the process of repatriating expatriates will be meaningful. Individuals assigned will not find it difficult to adjust in the parent company, and later take the skills they have learnt to another company. Thirdly, managers will generally understand the challenges that accompany expatriation, and be able to meet those challenges.

Multinational companies have been approached and they have indicated that their expatriate policies are fragmented. Language training, cultural training and practical training are handled by different departments. As a result it is difficult to measure the success of the programme. These companies have shown eagerness to assist, as the companies will benefit from such a study. With a comprehensive policy for international assignments, expatriate failure can be

curbed and the skills of the expatriates will be broadened. This will not only be of benefit to the expatriate but will also boost the revenue of the company and the economy of the country as a whole. The results of the research will lead to the formulation of an expatriate model which will ensure that individual and organisational goals are realised. The model could be adopted by companies that aspire to operate internationally, to make the process of planning expatriate assignments a success.

1.6 DEMARCATION OF THE RESEARCH

1.6.1 Global Orientation

The aim of this study is to get a broader picture of the expatriation process. Therefore this study has focussed on companies that are global in nature. According to Rugman and Hodgetts (1995: 433), globalization is the production and distribution of products and services of a homogenous type and quality on a worldwide basis. In the study companies adopting a global strategy have been looked at, as they are the ones which have expatriates. As stated by Carrell, Elbert and Hatfield (1995: 54), the global organisation must coordinate and integrate people, products, and business functions across countries.

1.6.2 Size

Organisations employing more than 100 employees have been used in this study because of the diversity of the workforce in larger companies, and the demands that come with managing such diversity. Respondents have been found in both Information Technology companies

which do not employ large numbers of people yet they send employees overseas frequently and in manufacturing companies which employ large numbers of people.

1.6.3 Geographical demarcation

In order to make the research more manageable the research will focus on multinational companies in Gauteng , Western Cape, Eastern Cape and KwaZulu Natal. In all these provinces major companies involved in the distribution of products and services have been looked at.

1.6.4 Home- and host- country nationals

As the term “expatriates” refers to employees of the home-country assigned somewhere else or employees of other countries assigned to South Africa, research has focused on expatriates in South Africa presently as they were available to give their comments on what caused them to leave the host-country prematurely. Employees that are currently posted overseas have also been contacted to get a present view of what they feel about the assignments.

1.6.5 Management level

The supply and demand of skills causes companies to deploy its workforce to different areas. The workforce could range from low-skilled employees to highly-skilled employees. For the purposes of this research, the views of top executives, division heads, middle managers and technical specialists have been sought, because different companies assign employees at

various management levels.

1.6.6 Expatriate satisfaction

The research was limited to examining whether the employee was satisfied with the practice of expatriation or not and the reasons thereof.

1.6.7 Basis for the model

The intention of the study was to develop an expatriate model for South African companies by integrating what current literature revealed and what practitioners felt would lead to expatriate satisfaction.

1.7 DEFINITION OF KEY TERMS

1.7.1 Expatriates

Expatriation, according to Downes et al (2000:22), referred to the practice by multinational corporations (MNCs) of sending home-country nationals to overseas locations.

Rugman and Hodgetts (1995: 324) referred to expatriates as home-country nationals, who reside abroad but are citizens of the parent of the multinational. In certain companies “expatriates” are known as foreign-service employees, in other companies these are termed “international assignees”, and these terms have been used interchangeably. For the purpose of

this research the term “expatriates” refers to citizens of South Africa who have worked abroad in one of the company's subsidiaries, as well as South African citizens who have been assigned by overseas companies to go abroad and learn their work practices for not less than three years.

1.7.2 Expatriate Failure

Hill (2000: 569) refers to “expatriate failure” as the premature return of an expatriate manager to his or her home country. The term will also refer to expatriates who leave the company or the country of assignment early due to the inability to adjust in the company or the host country.

1.7.3 International and Multinational Corporations

According to Hill (2000:25) an international business is any company that engages in international trade or investment. A company does not have to become a multinational enterprise investing directly in operations in other countries to engage in international business, although multinational enterprises (MNEs) are international businesses.

Bennett (1996:147-148) claims that there is no single universally agreed definition of the meaning of the term 'multinational' company as the concept of multi-nationality has a number of dimensions. Nevertheless, he adopts the view that the essence of multi-nationality in a company's operations lies in the globalisation of its management systems, perspective and approaches to strategic decisions.

In this study, the researcher has adopted the definition of Hill (2000:16), stating that a multinational enterprise (MNE) is any business that has productive activities in two or more countries. The researcher has focused on organisations which have business operations in other countries or businesses which are engaging in trade and investment in different countries.

1.8 ASSUMPTIONS

From talking with Human Resource (HR) practitioners one has learnt that international companies have secondment programmes where they take employees to overseas companies for the purpose of training and developing them. These programmes range from a period of 6-12 months. They also have expatriate programmes lasting up to three years. These programmes are used to fill positions that need global skills that are not available locally. In the study only expatriates will be interviewed and their opinions will be used.

It is assumed that some of the solutions to problems affecting expatriate managers in foreign countries, which are used in the study, will also be relevant in South Africa. Cultural issues and expectations of managers might be different and therefore not relevant to South Africa.

1.9 RESEARCH METHODOLOGY

The following broad procedure was followed:

1.9.1 Literature Survey

Looking at what the primary and secondary sources have revealed about the problem so as to

determine the extent of expatriate failure in South African companies.

1.9.2 Contacting HR managers

The researcher contacted some of the organisations' human resource managers personally, via telephone, and some via mail to establish if they would be willing to participate in the research. The human resource managers were chosen because of their involvement in assigning foreign-service employees, and in the selection and repatriation of those assignees.

1.9.3 Measuring Instrument

The researcher has developed a questionnaire to determine the failure or success of the international assignments and the reasons thereof. Opinions from the individual expatriates were sought to establish what could be done to make the process of expatriation a success.

1.9.4 Sample

In each international company that indicated it had an expatriation programme, five questionnaires were sent to the HR manager. An electronic version of the questionnaire was also e-mailed to the HR managers for the employees who were currently assigned overseas, as well as to make more copies if there were more expatriates in the organisation.

1.9.5 Statistical Analysis of Data

The statistical procedures to be used in interpreting and analysing the data were determined in consultation with a statistician at the time of drawing up the questionnaire.

1.9.6 Development of an expatriate model

The results of the literature survey and the empirical survey were integrated to develop an expatriate model to ensure expatriate satisfaction.

1.10 SUMMARY

In this chapter the main problem, sub-problems, and the objectives of the research have been discussed. Key terms used in the research have also been explained. In the other chapters to follow the research process will be described, the results of the questionnaire will be interpreted and analysed, and recommendations of a comprehensive expatriate model will be given. It is hoped that this model will help to minimize expatriate failure and help companies to benefit from the investment they make of sending employees overseas.

CHAPTER TWO

STRATEGIES AND STAFFING POLICIES IN INTERNATIONAL BUSINESS.

2.1 INTRODUCTION

South Africa as part of the global community has to compete for products, services, and markets with overseas companies. Some of these companies are from first world countries and are ahead of South Africa in terms of technological innovations. Globalisation enables multinationals to set up businesses in areas where they will take advantage of cheap labour and other economies of scale. Thus South Africa will learn from these companies.

The present economic transformation in the country demands that private companies sell up to 30 percent of their stakes to black people, including women, in the next six years. This is done to redress the economic imbalances of the past which led to a great number of black people being unemployed or not being economically active. This means that black people who were never exposed to international business will in some instances form partnerships with white business people and become economically active. Business opportunities will require them to operate locally and internationally. It is therefore very important for people who will be running companies irrespective of race to understand the strategies and staffing policies they must use to assign people overseas to learn new skills, as the lack of understanding in this area can lead to wrong placements and that could be very costly to the company.

Before the available strategies and staffing policies used by international companies are discussed, it is necessary to explain why it is necessary for South Africa to have expatriate managers.

2.2 FACTORS FORCING SOUTH AFRICAN (SA) COMPANIES TO HAVE EXPATRIATES

2.2.1 Globalisation

Companies require quality, value, service, innovation, and speed to market in order to keep pace with, let alone stay ahead of, competitors. Hence, to remain competitive, organizations must create, capture, harvest, share and apply their organization's knowledge and expertise (Zack, 1999: 135). Application in this regard refers to the manifestation of knowledge evidenced in a person's expertise.

Bender and Fish (2000: 125) argue that with ongoing globalization, organizations are increasingly confronted with worldwide competition. In order to build and sustain its competitive advantage, the knowledge and expertise of an organization's staff needs to be seen as a critical strategic resource. Global assignments are important in the transfer of knowledge, therefore Human Resource Management (HRM) practices should ensure the successful and effective retention of expertise.

With an increase in international joint ventures, companies establishing subsidiaries and sales offices abroad seem to be becoming almost non-existent. Such changes make it imperative for organisations if they are to be successful, to manage their knowledge and to transfer the

existing skills, knowledge and expertise effectively within the organization, especially across national borders.

Gatherer (1988: 28) states that they conducted a wide ranging survey of the development needs of Southern African organisations in a business environment that is becoming global and highly competitive. It was found that there was a problem at senior management and executive level where the impact of globalisation was greatest. The importance of this global viewpoint should not be underestimated because all businesses are becoming integrated into a single massive economy that is changing rapidly. In these highly volatile circumstances, executives need an exceptional range of leadership and transformational skills, and access to the best methods of dealing with this type of scenario.

2.2.2 Black Economic Empowerment (BEE)

The period since 1994 has seen the South African economy undergo profound restructuring. Ten years of consistent economic growth has been recorded. Macroeconomic stability has largely been achieved, providing a platform for accelerating the growth rate. The economy has become increasingly integrated into global markets and South Africa has become a successful exporter of manufactured goods and value-added services. South Africa is now able to position itself as an advanced manufacturing economy.

In 1998, government created the National Empowerment Fund (NEF), a trust to hold equity stakes in state-owned enterprises and other private enterprises on behalf of historically disadvantaged persons. The NEF Corporation, established in terms of the NEF Act, 1998, was tasked with managing the trust in order to:

- Provide historically disadvantaged persons with the opportunity to, directly and indirectly, acquire shares;
- Encourage and promote savings, investment and meaningful economic participation by historically disadvantaged persons;
- Promote and support business ventures pioneered and run by historically disadvantaged persons.

Based on the above initiative, many charters have been drawn up, for example, the Mining Charter, the Financial Services Charter, and now the Information and Communications Technology charter is in a process of being finalized. This means that a number of previously disadvantaged individuals (PDI's) will be economically active. These PDI's will therefore need to be equipped with strategies of operating in a global environment. It is against this backdrop that some of them will have to go overseas or send their employees to learn new markets, strategies as well as to learn about international business in general.

2.2.3 Information Technology

Bender and Fish (2000: 125) state that future knowledge in the form of data and information can be stored in a variety of ways with access for all employees. It is also transferred in various ways such as e-mail, group-ware, Internet, Intranet, and video-conferencing. In this sense, information technology should be seen as a necessary tool, but technology and its use is not in itself knowledge management or indeed knowledge transfer.

The possibilities offered by the newest information technology advances now seem to be overshadowing the traditional and important process of sending people to transfer knowledge. This is particularly evident on a cross-border basis, where high costs are associated with

sending expatriates and their families on cross-border assignments. The increasingly high costs of global assignments are now driving global organizations to search for more strategic means of cross-border communication.

However, in scaling back global assignments in favour of sophisticated technology and communication networks, organisations face the real prospect of ineffective knowledge-transfer and knowledge management and hence the ineffective development and retention of expertise. Prusak (1996) states that knowledge and expertise is created and resides in a person's mind and both knowledge and expertise therefore remain person-bound. Torbion (1997) continues by suggesting that the transfer of knowledge and expertise across national boundaries may require the continued transfer of staff in order to apply company norms or know-how, to set up activities, to educate and to learn. Garvin (1993) also argues that since it is very difficult to become knowledgeable in a passive way, personnel rotation programs are one of the most powerful methods to transfer knowledge and to retain expertise. The significance of personal contact then should not be underestimated, especially in global business, where an understanding of cultural differences, such as business behaviour, attitudes, mindsets and language can be critical to an organization's success (Bender and Fish 2000: 125).

2.2.4 Skills Shortages

Selmer and Leung (2002: 348) state that it is a strategic necessity for globalizing business companies to try to develop a pool of mobile business expatriates. In particular the use of parent country nationals (PCNs) can facilitate the communication process between the parent organization and the operations abroad as well as across foreign subsidiaries. They maintain control at the foreign location by enforcing and protecting company interests. They facilitate

the establishment of linkages with other countries; and enhance the company's international knowledge base, promoting the understanding of international operations. As a result, expatriation leads to a competitive advantage in creating executives that are sensitive to international opportunities and threats, representing an international education that cannot be repeated easily.

Selmer and Leung further state that a rapid increase in demand due to the continuing globalization and managers' increasing doubts of the advantage of pursuing an expatriate career have contributed to a supply crisis. Currently, many multinationals face a severe shortage of executives with the skills, knowledge, and sophistication to operate in a competitive global environment. Traditionally, the pool of potential expatriate candidates has excluded women. However, international companies cannot any longer afford to limit their pool of talented human resources by excluding particular groups of employees. Now it is time for multinationals to broaden their recruitment base.

Although many companies have re-examined their reluctance to send women abroad, the number of female expatriates is still relatively low, although with an increasing trend. From an insignificant percentage reported in the early 1980s of about three percent, more recently reported figures seem to be around 12-15 percent. However, this is still far from the share of female domestic managers in many industrialized countries. For example, in the USA, over 40 percent of all managers are women (Feldes & Steinhaus, 1998 : 14).

Places like the United Kingdom experience skills-shortages, especially in areas like education, and health care. As a result, a large number of nurses and educators from South Africa have gone to offer those services. On the same note, South Africa has been recruiting doctors from

Cuba to improve the Health Care Services.

2.2.5 Career Management

A career has been defined as a sequence of related work experiences and activities that are partly under their control and partly under that of others, and which are directed at personal and organizational goals through which a person passes during his or her lifetime. Generally, organizations are interested in career management, realizing that improved efficiency, profitability, corporate growth and, maybe even the survival of the company, increasingly depend on better use and development of employee talent (Selmer and Leung, 2002 : 349).

For the individual employee, career management provides insight and direction, and constitutes a means for handling ambiguous role requirements and organizational demands, identifying career opportunities, and lessening stress in connection with career adjustment. With the frequent occurrence of reorganizing, downsizing, rightsizing, delayering, pyramid flattening, teaming and outsourcing, traditional career ladders are vanishing fast. As many individuals will have to change employers several times in their working life, it has even been suggested that employers can no longer manage their employees' careers but instead should encourage them to take responsibility for their own career development and planning through teaching them career self-management.

Having stated some of the factors which require SA companies to have expatriates, it is important for company executives and HR managers to understand the stages of internationalisation, the different types of strategies and the available staffing policies. With this knowledge it will be possible to make meaningful and value-adding assignments.

2.3 STAGES OF INTERNALIZATION

Adler and Ghadar (1990: 179) suggest that organisations will need to follow very different International Human Resource Management (IHRM) policies and practices according to the relevant stage of international corporate evolution, which they identify as domestic, international, multinational and global. Linking this with the attitudes and values of top management at headquarters (classified by Heenan & Perlmutter as ethnocentric, polycentric, region-centric and geocentric), they outline how organisations could adapt their HRM approaches and practices to fit the firm's external environment and its strategic intent.

Beamish (1997: 599) states that companies progress through five stages as they internationalise their operations, namely:-

2.3.1 Domestic Stage

Where the market is exclusively domestic, the company produces locally and sells its products outside its region.

2.3.2 Exporting Stage

The company expands its market to include foreign countries, but retains its production facilities within domestic borders.

2.3.3 Joint Venture

The company physically moves some of its operations out of the home country. These facilities are primarily used for parts assembly, although some limited manufacturing may take place. The foreign branches or subsidiaries tend to be under close control of corporate headquarters at this stage, and a high proportion of top managers are expatriates.

2.3.4 Multinational Corporation

The company becomes a full-fledged multinational corporation (MNC), with assembly and production facilities in several countries and regions of the world. Strategic alliances between domestic and foreign companies, such as that between Ford Motor Company and Mazda Motor Corporation to build trucks in Thailand, are very common.

2.3.5 Transnational Stage

At this stage companies are designed to blend individuals from diverse backgrounds to create a shared corporate (rather than national) identity and a common vision. For instance, Gillette (which develops and manufactures personal care products) has developed an extensive program in which local personnel offices in 48 countries search for the best young university graduates who are single and fluent in English. The individuals selected are given six months of training in the home country, and those who come through this probationary period successfully travel to Gillette's headquarters.

Depending on the stage that the corporation is in, companies will pursue different types of strategies to produce and market their products.

2.4 INTERNATIONAL STRATEGIES

According to Hill (1999: 391 – 393) firms use four basic strategies to compete in the international environment, namely, an international strategy, a multi-domestic strategy, a global strategy and a transnational strategy. The appropriateness of each strategy varies with the extent of pressure for the cost reductions and local responsiveness. These are described below.

2.4.1 International Strategy

Firms that pursue an international strategy try to create value by transferring valuable skills and products to foreign markets where indigenous competitors lack those skills and products. Most international companies have created value by transferring differentiated product offerings developed at home to new markets overseas. They tend to centralize product development functions at home (e.g. R&D). However, they also tend to establish manufacturing and marketing functions in each major country in which they do business.

2.4.2 Multi-domestic Strategy

Firms pursuing a multi-domestic strategy orient themselves toward achieving maximum local

responsiveness. Multi-domestic firms extensively customize both their product offering and their market strategy to match different national conditions. They also tend to establish a complete set of value creation activities - including production, marketing, and Research and Development (R&D) in each major national market in which they do business. As a consequence, they generally fail to realize value from experience curve effects and location economies.

2.4.3 Global Strategy

Firms that pursue a global strategy focus on increasing profitability by reaping the cost reductions that come from experience curve effects and location economies. They are pursuing a low-cost strategy. The production, marketing, and R&D activities of firms pursuing a global strategy are concentrated in a few favorable locations. Global firms tend not to customize their product offering and marketing strategy to local conditions.

2.4.4 Transnational Strategy

Transnational strategy is applicable when a firm faces high pressures for cost reductions and high pressures for local responsiveness. In Hill (1999: 393) Christopher Bartlett and Sumantra Ghoshal have argued that in today's environment, competitive conditions are so intense that to survive in the global marketplace, companies must exploit experience-based cost economies and location economies, they must transfer core competencies within the company, and they must do all this while paying attention to pressures for local responsiveness. They note that in the modern multinational enterprise, core competencies do not reside just in the home country. They can develop in any of the firm's worldwide operations. Thus, they maintain that the flow

of skills and product offerings should not be all one way, from home company to subsidiary rather the flow should also be from foreign subsidiary to home country, and from foreign subsidiary to foreign subsidiary.

2.5 STAFFING POLICIES USED BY INTERNATIONAL BUSINESSES TO SELECT EXPATRIATES

According to Daniels, Radebaugh and Erwee (2000: 233 - 234) research has identified four types of staffing policies in international businesses: the ethnocentric approach, the polycentric approach, the regional approach and the geocentric approach.

2.5.1 The ethnocentric approach

The first option is the ethnocentric approach where all the key positions are filled by parent-country nationals(PCNs). This practice is common in the early stages of internationalization, when a company is establishing a new business in another country, and prior experience is essential. Other reasons for pursuing an ethnocentric staffing policy are a perceived lack of qualified host-country nationals and the need to maintain good communication links with corporate headquarters. The disadvantages of such a staffing approach are:

- The limits it places on the promotion possibilities of the host-country nationals;
- The often extended adaptation period of expatriates to the host country;
- The disparity in compensation;

- And the inability of expatriates to evaluate the host-country nationals.

2.5.2 The poly-centric approach

The second staffing approach or poly-centric option, is one where Home Country Nationals (HCNs) are recruited to manage subsidiaries in their own country and PCNs occupy positions at corporate headquarters. The four main advantages of this approach are that:

- Employing HCNs eliminates language barriers;
- HCNs have a more comprehensive understanding of the local socio-cultural, political, and economic environments;
- Employing HCNs allows multinationals to take a lower profile in sensitive political situations;
- HCNs are less expensive, and there tends to be continuity in the management of foreign subsidiaries.

The major difficulty is to bridge the gap between local national subsidiary managers and the parent-country managers. A second problem concerns the career paths of HCN managers, since they have limited opportunities to gain experience outside their own country and cannot progress beyond the senior positions in their own subsidiary.

2.5.3 The Regional Policy

The third approach to international staffing is a regional policy with regard to executive nationality. This may imply that an MNE divides its operations into geographical regions and transfers staff within these regions. This approach allows interaction between executives

transferred to regional headquarters from subsidiaries in the region and PCNs posted to the regional headquarters. It also reflects some sensitivity to local conditions, since local subsidiaries are staffed almost totally by HCNs. Further to this, such an approach can be used by the multinational as a vehicle to gradually move from a ethnocentric or poly-centric approach to a geocentric one.

The disadvantages are that it can produce federalism on a regional rather than a country basis and make it difficult for the organization to become global.

2.5.4 The Geocentric Approach

The last option, or the geocentric approach, utilizes the best people for the key jobs throughout the organization, regardless of nationality. Transnational companies (those in *Stage5*) tend to follow this approach. For example, Electrolux (the vacuum cleaner company) has for many years attempted to recruit and develop a group of international managers from diverse countries. These people constitute a mobile pool of managers who are used in a variety of facilities as the need arises. Rather than representing a particular country, they represent the organization wherever they are. The two main advantages of this approach are that it enables a multinational company to develop an international executive team, and it overcomes the 'federation' drawback of the poly-centric approach.

The disadvantages are that the host governments want a larger number of their citizens employed and will make use of immigration controls in order to force HCN employment if enough people and adequate skills are available. This approach can be very expensive because

of increased training and relocation costs.

2.6 DIFFERENT TYPES OF ASSIGNMENTS

From interacting with HR managers of companies that send employees overseas, the researcher gathered that depending on the stage of internationalization, companies use three different types of assignments.

2.6.1 Long Term Placement

Long-term placement occurs when the company enters a new market. Expatriates start the business, establish an infrastructure that can manage the business, hire and train people to work in the organization, and localize the project so that host country nationals can handle it.

2.6.2 Mid-range Assignments

Mid-range assignments can last as long as 24 months. The tasks may include overseeing the building of a plant or handling an installation in the country.

2.6.3 Short Term Assignments

Short-term assignments can last up to 11 months and are for supplemental assistance to build up staff in a country or for specific training programs.

Harzing (2001: 581) comments that regardless of whether it uses short or long-term overseas assignments, an international company can use such assignments to attain three strategic goals:

1. *Management development:* In many companies, a foreign assignment is the way to develop among future top managers the capability to formulate global strategy. Middle managers get to learn about suppliers, customers, and competitors, acquire specific expertise, and learn how the company works.
2. *Coordination and control:* Because the trend for international companies is to build widely dispersed production and marketing organizations and then integrate them tightly through better communication and transportation, foreign assignments serve as effective means to reassert headquarters control over subsidiaries.
3. *Information sharing and exchange:* The third strategic role of overseas assignments is particularly relevant for technology-driven companies. Expatriates provide the means to transfer complex new ideas, processes, and technology to the subsidiary employees and also bring back to the parent company the knowledge and skills present in the subsidiary, it also gives the managers time to develop a rapport and trust at the host location to facilitate future information exchanges across geographical and organizational boundaries.

Foreign managers are brought to the parent company for several reasons:

- For training and development;
- For assignment to technical projects;
- To absorb the corporate culture and understand the company from the parent viewpoint;
- To participate in project teams;

- To reduce the need for sending out expensive home country managers to the foreign location;
- To tap qualified and capable individuals for organizational growth.

From Gomez-Mejia, Balkin and Cardy (2001: 560 - 561) in general, reliance on expatriates increases when:

Sufficient local talent is not available: This is most likely to occur in companies operating in developing countries. For instance, top managers of Falcombridge and Alcoa (both mining companies operating in Latin America and Africa) are almost always expatriates.

An important part of the company's overall business strategy is the creation of a corporate-wide global vision: When this is the case, expatriates are used to link the organization's international subsidiaries.

International units and domestic operations are highly interdependent: In some cases, the production process requires that all divisions of a corporation, both international and domestic, work closely with one another. For example, IBM, Hewlett-Packard, and Xerox have specialized manufacturing facilities (computer chips, software) which must be closely monitored and integrated to produce highly sophisticated products such as computers, medical equipment, and photocopying machines. Linking production processes generally calls for greater reliance on expatriate managers and specialists, who can bridge the gaps and tie the units of the organization together.

Technology has dramatically reduced the need for expatriates to link the international units of

the company to the home office. For instance, a Wal-Mart outpost which opens every week somewhere outside the United States, is managed primarily by local employees. Wal-Mart can rely on local employees because it has 1,000 full-time information technology developers in the United States who develop systems that allow close monitoring of the stores from corporate headquarters in Bentonville, Arkansas.

The political situation is unstable: Corporations tend to rely on expatriates for top management positions when the risk of government intervention in the business is high, when actual or potential turmoil within the country is serious, when the threat of terrorism exists, and when there has been a recent history of social upheaval in the country. Although expatriate top managers may increase tensions between groups, the expatriate ensures that nationalistic interests are well represented locally. Expatriates are also less susceptible to the demands of local political forces.

There are significant cultural differences between the host country and the home country: The more dissimilar the culture where the subsidiary is located to that of the home office (in terms of language, religion, customs, and so forth), the more important it is to appoint expatriates who can serve as interpreters or go-betweens for the two cultures. Since this boundary-spanning role demands much cross-cultural sensitivity, the MNC needs to select and carefully train individuals suitable for these positions.

According to Groucutt, Leadley and Forsyth (2002: 521), potential factors for going global are:

Saturated domestic market – a company might discover that it has few opportunities to expand its sales within its domestic market. There could be a combination of reasons including

changing customer tastes, consumer preferences, economic conditions and aggressive competition. In order to increase sales revenues and profits, the company might be forced to market its products or services or services internationally.

A declining market – there might be a declining market for the product within the domestic market. However, there could be significant growth opportunities in overseas markets.

Other potential factors for going global are:

- Drive to increase overall profitability;
- A small domestic market;
- Recession in domestic market;
- Cost Factors;
- Customer-driven focus;
- Spreading the risk;
- Economies of scale;
- Increasing the value of their reputation;
- Potential of the internet.

2.7 SUMMARY

In this chapter it has been shown why this study is of importance to South African business people. The stages of internationalisation that companies transcend to have been stated as well as the strategies and staffing policies that are appropriate for each stage. The types of assignments and factors that necessitate having expatriates have also been stated. In the next

chapter the extent and the causes of expatriate failure generally as well as in South African companies will be investigated.

CHAPTER THREE

THE EXTENT AND CAUSES OF EXPATRIATE FAILURE

3.1 INTRODUCTION

From the previous chapter, it could be concluded that companies endeavour to take their employees from where there is a great supply of labour to where there is a great demand of certain skills. If this process could go well it would mean that there would be a trade-off of skills between employees of the same company in different countries. This trade-off to some extent does not become fully realised due to the problems expatriates experience when in a foreign country.

It is for this reason that the following chapter will look at the problems which expatriates experience internationally, what has been done to solve those problems and what are other possible problems that were overlooked, and what could be done to solve those problems. This will be done by reviewing what has been written on the subject in both primary and secondary sources. The current models that are implemented when assigning expatriates will be discussed and analysed.

3.2 THEORIES ON THE EXTENT OF EXPATRIATE FAILURE

Beamish (1997: 181) says failure comes when executives are sent overseas and are not able to understand the new culture or to function in their new environment. According to Downes et al

(2000:122), between 25 and 40 percent of expatriate assignments end in failure.

Hawley (1999: 34) says that up to 40 percent of expatriate contracts fail and 80 percent of the failures can be attributed to unhappiness of the spouse.

Shaffer & Harrison (1998: 87) also assert that a recurring theme in international HR literature is that early return rates for American expatriates and overseas employees in general are both quite high and quite costly to international operations. The number of expatriate assignments that end early have been reported to range from 16% to 50%.

As per Daniels et al (2000: 239) the failure of expatriates has traditionally been defined as an early return from the foreign assignment. The rate of return for American expatriates ranges from 10 to 80%, depending on the company or industry, with a median of 20% to 30%, whereas the failure rates for Japanese and European expatriates are substantially lower. However, characteristics such as poor quality of performance in a foreign assignment, little acceptance of the expatriate by the local employees and an inability to adjust to culture shock, are now also viewed as failures. The severity of failure is compounded by factors such as a lack of training for the assignment or an unwillingness on the part of the parent company to provide adequate support.

Gomez-Mejia et al (2001: 561) also state that the failure of US expatriates is estimated to be in the 20 percent to 40 percent range. This failure rate is three to four times higher than the failure rates experienced by European and Asian companies. Failure can be expensive. The more intangible costs of failure include business disruptions, lost opportunities, and negative impact on the company's reputation and leadership and are probably many times greater.

Studies by Yavas and Bodur (1999: 261) also reveal that finding the right people for the assignments and making them stay there for the duration of their assignments, however, are challenging tasks. This is because expatriates working in a foreign environment with very different political, cultural, and economic conditions often face both job-related and personal problems.

If ignored these problems result in stress and dissatisfaction inside and outside of an expatriate's professional life and may lead to turnover. Indeed failure rates among expatriates, measured as those who return prematurely, can reach staggering proportions and be quite costly not only to the companies which transfer the employee and in his/her family abroad but also to the expatriates themselves. Furthermore, expatriates who cannot adjust but nevertheless remain on the assignment and perform poorly can be even more damaging to the company than those who return prematurely (Harzing, 2001: 580).

In Employee Relations, Simeon and Fujiu (2000 : 594) state that American companies have been shown to have relatively high rates of expatriate failures in international assignments. By some estimates, failure rates in American multinational companies range from 16-40 percent. An early return to the home country or significant cross-cultural adjustment problems are usually factors which define expatriate failure. Inadequate selection, training and support increase the possibility of failure (Tung, 1988: 123). In addition to the high costs of expatriate assignments, premature return of executives can damage the short- and long-term strategies of the company.

Caligiuri and Cascio (1998) in Selmer and Lam (2004: 430) state that Internationalizing

companies are planning to expatriate executives in increasing numbers. Unfortunately, this rising demand is not matched by an increasing supply. Companies report that finding enough people with the necessary skills for foreign assignments is one of their greatest human resource challenges. Contributing to this unfortunate situation could be the perceived danger of failure.

Hawley (1999: 34) says that at an approximate cost of up to R500 000 per relocation and with failure rates as high as 40% (where a failure is defined not only in terms of returns to the home country, but also in terms of expatriates sitting out their contract non-productively), we believe that getting matters sorted out up front and professionally is crucial.

3.3 WHY INTERNATIONAL ASSIGNMENTS END IN FAILURE

Six factors account for most failures, although their relative importance varies by company. These are career blockage, culture shock, lack of cross-cultural training, an overemphasis on technical qualifications, a tendency to use international assignments as a way to get rid of problem employees, and family problems (Gomez-Mejia et al, 2001 : 561 - 563).

3.3.1 Career Blockage

Initially, many employees see the opportunity to work and travel abroad as exciting. But once the initial rush wears off, many feel that the home office has forgotten them and that their career has been sidetracked while their counterparts at home are climbing the corporate ladder. One survey indicates that less than one half of 1 percent of U.S. expatriates view international assignments as a career route to the top. A recent study showed that women face additional difficulties with making international assignments part of their career goals, because a majority

of male executives believe that women are less likely to succeed overseas.

3.3.2 Culture Shock

Many people who take international assignments cannot adjust to a different cultural environment, a phenomenon called culture shock. Instead of learning to work within the new culture, the expatriate tries to impose the home office's or home country's values on the host country's employees. This practice may trigger cultural clashes and misunderstandings that escalate until the expatriate decides to return home to more familiar surroundings - perhaps leaving a mess behind.

3.3.3 Lack of Pre-departure Cross-Cultural Training

The person chosen to go abroad may have impressive credentials and an excellent reputation in the home office for getting things done. He or she may seem like the natural choice to start a new international facility, to manage a subsidiary that needed tightening up, or to act as a trouble-shooter when technical difficulties arise. Unfortunately, the same traits that led to success at home can be disastrous in another country. One may not be advised of behaviours not acceptable to another country and when one faces negativity from peers because of that behaviour they tend to feel like outcasts.

3.3.4 Overemphasis on Technical Qualifications

Workers are generally recruited in developed countries on the basis of competence and qualifications. He states that it cannot be assumed that someone who has performed well in the domestic arena will necessarily succeed abroad. The foreign environmental context may be so different that the manager's experience and skills may not transfer. (Sanyal, 2001 : 379)

3.3.5 Getting Rid of a Troublesome Employee

International assignments may seem to be a convenient way of dealing with managers who are having problems in the home office. By sending the managers abroad, the organization is able to resolve difficult interpersonal situations or political conflicts at the home office, but at a significant cost to its international operations.

3.3.6 Family Problems

The inability or unwillingness of the expatriate's spouse and children to adapt to life in another country is one of the most important reasons for failure. In fact, more than half of all early returns can be attributed to family problems. Given the stress the employee usually experiences in trying to function in unfamiliar surroundings, trouble at home can easily become the proverbial straw that breaks the camel's back. It is surprising that most companies do not anticipate these problems and develop programs to prevent them from happening.

3.2.7 Dual-career couples

The expectations of dual-career couples are another cause of failure in expatriate assignments. MNCs are increasingly confronted with couples who expect to work in the same foreign location- at no sacrifice to either's career. Yet one spouse usually has to sacrifice, and this often leads to dissatisfaction.

According to Sanyal (2001 : 381) some of the most common reasons managers fail in their foreign assignments are provided in Figure 1 below:

Figure 1 : Commonly Cited Reasons for Assignment Failure

- Spousal or partner dissatisfaction
- Family concerns
- Inability to adapt
- Job fails to meet expectations
- Wrong candidate
- Unsatisfactory job performance
- Unsatisfactory quality of life
- Dissatisfaction with compensation

Source: Global Relocation Trends 1999 Survey Report. Windahm International, New York City

Many studies have been written on the causes of expatriate failure in South African multinationals. Brewster, Carey, Dowlinf, Grobler, Holland and Warnich (2003 : 184) claim that expatriates are among the most expensive human resources in any internationally operating organisation and they are almost invariably in positions of crucial importance for the organisation. They have, and their management involves, issues and problems which go beyond those of most other employees. And yet our understanding of expatriates and the management of expatriates is markedly less than that we have of other employees – and expatriates are often far from being the best managed employees.

Research into expatriate selection often fails to identify any systematic approach because mostly decisions are taken (or at least initiated) in the corridor or at a social gathering as the result of one manager, 'knowing' one person who could fill their one vacancy... such an

approach is becoming increasingly untenable as financial demands increase, as potential expatriates become ever more demanding, and as other countries cease to be quite so welcoming to a continuous stream of foreigners in crucial positions (Brewster et al, 2003 : 189).

The other problem facing South African companies is that the selection of expatriates has generally been focused on the more 'visible' aspects of this issue, such as the criteria used in such decisions. Researchers have found that in practice technical expertise and domestic track record are by far the two dominant selection criteria. Factors such as language skills and international adaptability come further down the list, though there is some evidence that there have more importance. Decision are taken by line managers – who often simply ignore the criteria. Training and development programmes for expatriates are, surprisingly, more apparent by their absence than their presence. Visible by no pre-appointment visits and no briefings by returned expatriates (Brewster et al, 2003 : 199).

3.4 A MODEL OF EXPATRIATES' DECISION TO QUIT THEIR ASSIGNMENTS

Shaffer and Harrison (1998: 87) developed a model of expatriates' decisions to quit their assignments. The model specifies where and how cross-cultural adjustment works in the early return decision process. It considers the project-based nature of international assignments and provides evidence for the important role of non-work factors, especially family-related variables in the withdrawal decisions of expatriates. It also considers how assignment withdrawal cognitions are influenced by job satisfaction and organisational commitment.

3.4.1 WITHDRAWAL COGNITIONS

These include plans to search for other employment, general thoughts or consideration of quitting, and intentions to quit, with the latter being the strongest. Empirical tests support a basic turnover process in which dissatisfaction and organizational commitment result in withdrawal cognitions, result in turnover. Factors associated with unsuccessful assignments in general are:

3.4.1.1 Job satisfaction: Generally defined as an overall evaluation of one's job. In an article written by Yavas and Bodur (1999: 262) Odom et al define job satisfaction as the extent an employee feels negatively or positively about his or her job. Organisational commitment, in turn, refers to the degree to which an individual identifies with an organisation's goals and shows willingness to exert effort on behalf of the organisation. Researchers view both satisfaction and commitment as multifaceted concepts.

3.4.1.2 Organizational commitment: In Shaffer and Harrison (1998 : 91) Allen & Meyer 1990 and Jaros et al, 1993 have advocated consideration of a three-component model of organisational commitment. These components are: (a) affective commitment, an employee's psychological attachment to an organisation expressed through feelings such as loyalty, affection warmth and belongingness, (b) continuance commitment an employee's retention with an organisation because of high personal costs associated with leaving, and (c) normative commitment, an employee's obligation to stay because of internalization of the organisation's goals, values and mission.

3.4.1.3 Degree of Assignment Completion: Employment with an organization is usually an open-ended contract, but an international assignment is generally constrained by time or task

objective. Having this fixed horizon may affect early return decisions. Conlon and Garland (1993) found that as individuals came closer to completing a project, they tended to be more committed to seeing it through until the end. For expatriates this means that those who have not completed a larger percentage of the expected length or project associated with the assignment will be more under pressure and want to leave early.

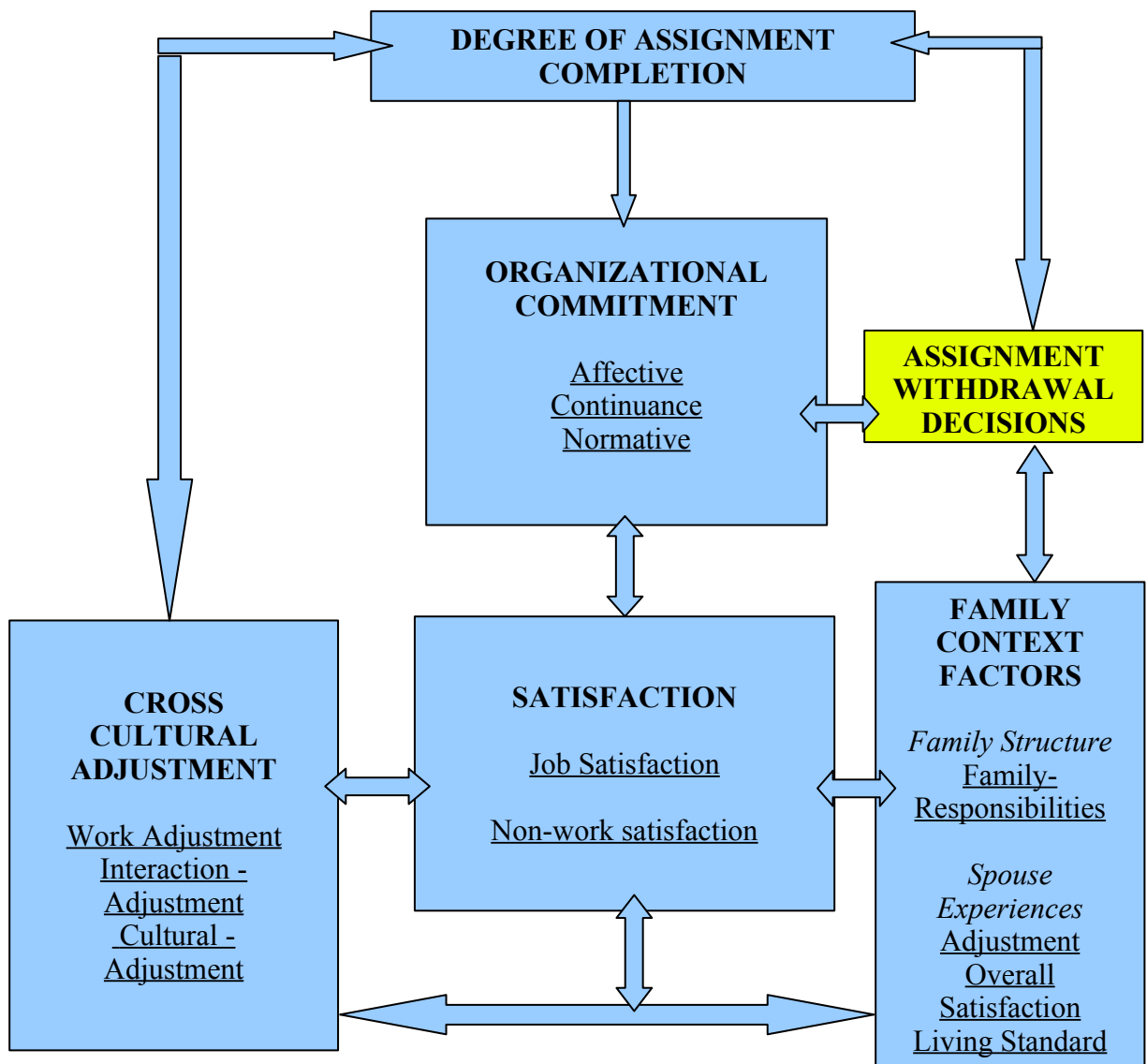
3.4.1.4 Non-work satisfaction: Relocation generally requires changes in living conditions, a new (or no) job for one' spouse, new schools for children, and alterations in many daily (non-work) activities. More direct support for the importance of non-work satisfaction can be seen in significant negative relationships between intentions to leave and satisfaction with leaving conditions in general as well as satisfaction with specific aspects of the foreign environment.

3.4.1.5 Cross-cultural adjustment: This is referred to as the expatriates' adjustment to living and working in a foreign culture. Adjustment is the perceived degree of comfort a person has with his or her environment (Black, Mendenhall & Oddou, 1991 : 301). Work adjustment is clearly job-related, cultural adjustment is primarily non-work related and interaction adjustment overlaps the work and non-work environments. This means that if one is comfortable in both work and non-work settings, one won't have withdrawal cognitions.

3.4.1.6 Family context factors: This refers to the strong effects of family variables, such as the number of children and willingness of the spouse to move. To extend the theory and the evidence of family variables on expatriate withdrawal decisions, Shaffer and Harrison (1998) consider the relationships between two aspects of family context (family structure and spouse experiences) and other model constructs. They chose family responsibility as an element of family structure, which refers to the number of total family obligations one has in the

immediate geographic area. Those with larger family responsibilities will allocate more time and effort to their spouses and children and less to their jobs. Spouse experiences, which refer to spouse adjustment, satisfaction and perceived living standards on assignment are also cited as major causes of failed assignments. Shaffer and Harrison's model as shown in Figure 2 shows how these factors are related.

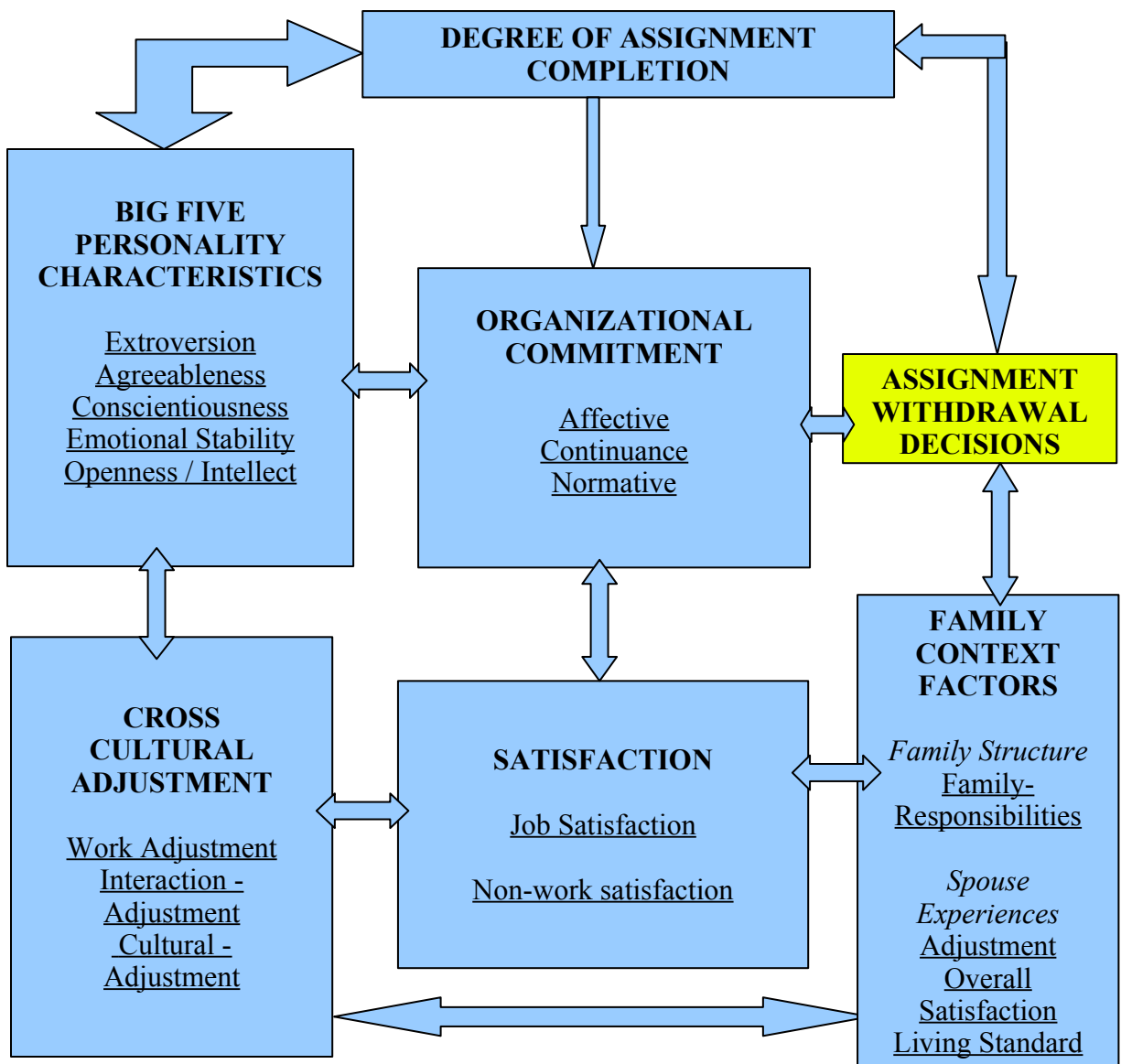
Figure 2: PROPOSAL OF FACETS OF EXPATRIATE WITHDRAWAL DECISIONS



Source: Adapted from Shaffer and Harrison (1998 : 92)

Factors outlined in the model are mostly external to the person. There are also internal factors or personality characteristics that are crucial in determining whether the expatriate will return early or not. Caligiuri (2000 : 68) mentions Big Five personality characteristics, namely, Extroversion, Agreeableness, Conscientiousness, Emotional Stability and Openness. These factors are integrated in Shaffer and Harrison's model as shown in figure 3.

Figure 3: A DEVELOPED MODEL OF ASSIGNMENT WITHDRAWAL DECISIONS.



Source: Adapted from Shaffer and Harrison's Model (1998 : 92)

3.4.2 THE BIG “FIVE” PERSONALITY FACTORS

3.4.2.1 Extroversion – The ability to effectively communicate (e.g., enter a conversation with a stranger, enter into dialogue with others.)

3.4.2.2 Agreeableness – An ability to establish interpersonal relationships (e.g. understand the feelings of another person, empathy). Having rational skills(e.g. courtesy and tact, display of respect, kindness).

3.4.2.3 Conscientiousness – Job knowledge and motivation (e.g. responsibility and motivation). Requires one to have integrity, be loyal and be task oriented.

3.4.2.4 Emotional Stability – Ability to deal with psychological stress (e.g. deal with frustration, deal with anxiety.)

3.4.2.5 Openness and Intellect – Intelligence (e.g. social problem solving skills, social judgement capacity). Showing interest in foreign cultures, a variety of outside interests.

The theory of evolutionary personality psychology can be applied to predicting expatriate success for two reasons: First, variations along big five personality characteristics allow for individuals to successfully fill different positions in society. Therefore, given the adaptive requirements of expatriate assignments, personality characteristics should help facilitate an individual expatriate's success. Second, as universal adaptive mechanisms, the Big Five personality characteristics are utilized across contexts, situations, and environments. Thus, the

same universal personality characteristics should be relevant for expatriate success regardless of the individual's nationality or country of assignment.

3.5 THE CHALLENGES OF EXPATRIATE ASSIGNMENTS

3.5.1 Selecting the right candidates

Daniels et al (2000 : 237) says most companies in the 1990's selected expatriates based on their technical competence, but current practices emphasize personal competencies such as communication skills, negotiation ability, organisational and cultural sensitivity, ability to manage cross-functional and cross-cultural teams and tolerance of ambiguity.

Black, Gregersen and Mendenhall (1992 : 274) formulated a global assignment 'best practices cycle' to accomplish short and long-term strategic objectives of selecting and preparing effective expatriates with technical and cross-cultural skills to prevent the high cost of expatriate failure, which incorporated the following:

- identifying the position;
- determining the candidate's qualifications;
- screening;
- scheduling of interviews;
- interviews and tests;
- evaluations of interviews and tests;
- recommendations;
- approval;
- appointment;
- training and pre-departure preparations;

- support;
- repatriation.

3.5.2 Pre-departure and on-site cultural training

Very few South African companies offer cross-cultural training to the expatriates, as a result most of them return early. Daniels et al (2000: 240) say the international HR manager needs to establish how novel the foreign culture and assignment is to the expatriate, and how often he/she would have to engage in face-to-face, long-term, two-way cross-cultural interactions to determine the intensity and rigour of his/her training. Not only should the training be for the expatriate but also for his family, as research shows that most failures are caused by the inability of the spouse to adjust to the foreign culture.

3.5.3 Managing the expatriate workforce effectively

Gomez-Mejia et al (2001: 561) say one of the most challenging tasks for any international company is to manage its expatriate workforce effectively. The statistics, unfortunately, are not encouraging. The failure of U.S. Expatriates - that is, the percentage who return prematurely, without completing their assignment - is estimated to be in the 20 percent to 40 percent range. This failure rate is three to four times higher than the failure rates experienced by European and Asian companies.

The international HR managers have a problem of not knowing whether they should interfere with the work of the HR manager in the host country. As a result, there is no clear reporting line for the expatriate and they tend to feel abandoned by the home company. To prevent

expatriates from feeling isolated and disconnected, the home office should stay in regular touch with the expatriate and must liaise with the host company HR manager to ensure that the expatriate is satisfied with the assignment.

3.5.4 Women Managers

According to Booysen (2000 : 34) the influx of women into the labour force, together with the political, social and economic efforts to advance gender equity in the work setting, are beginning to result in increasing numbers of women occupying leadership positions in South Africa. But several authors argue that in South Africa women of all races are still disadvantaged, hold hardly any senior positions, especially in the corporate world and are still a wasted resource.

Hartl (2003 : 40) says expatriates are disproportionately chosen from the ranks of middle to senior management and general management positions, where women are under-represented, hence not available for expatriate positions.

Companies may refrain from sending women abroad on the presumption of foreign prejudice against female managers or that a foreign assignment would cause problems for dual-career marriages. However, studies have found that women managers were willing to go on overseas assignments and were successful abroad. In Japan and Korea, where few women managers are to be found in the higher echelons of companies, foreigners, including foreign women, are treated as foreigners, and not locals. Therefore, the rules governing the behavior of local women, which limits their access to managerial ranks, do not apply to foreign women.

3.5.5 Declining attractiveness

Selmer and Leung (2002: 350) say that despite rising demands for business expatriates, the benefits for the individual of expatriation have been increasingly doubted. Managers may only accept one assignment and then return home, as they are more likely to regard an international assignment as a part of a long-term career path, expecting to come back to the parent organization in a stronger position. Alternatively, the foreign assignment is simply viewed as an opportunity to live abroad for a while and make some extra money.

Demographic developments may also reduce a manager's desire for an expatriate career. Dual-career couples are becoming more common, indicating that there could be more spouses/partners who are less willing to break or abandon their careers. As many as 15 percent of expatriate candidates have been reported to reject offers of foreign assignments because of career demands of their spouse/partner, and this figure may increase in the future, especially in Western Europe and North America. Although companies can assist dual-career couples in several ways, few international companies have dealt with dual-career problems in an effective way.

3.5.6 Repatriation

Selmer and Leung (2002 : 350) say another deterrent is the dismal prospects for many expatriates when they return home. Loss of status, loss of autonomy, loss of career direction and feelings that the international experience is not of much value to the company, financial difficulties and family problems, are all typical repatriation problems. Many repatriated

executives leave their companies before or soon after returning home. As many as 25 percent leave, or intend to leave, their employment within one year of repatriation.

Companies failing to support returning expatriates may not only lose many of their repatriates, they could also experience difficulties in finding willing candidates to accept offers of expatriation as they can observe the plight of those coming back. Additionally, emerging signs of deteriorating compensation packages for business expatriates and concerns about the cost and quality of children's education abroad do not promote the attractiveness of expatriate careers.

3.6 SUMMARY

From this chapter most of the studies reveal that about 40 percent of expatriate assignments end in failure, which is regarded as the premature return of expatriates to the home country. Different theories on the causes of failure have been visited. Shaffer and Harrison's model of expatriate's withdrawal cognitions has been chosen because it considers the project-based nature of international assignments and provides evidence for the important role of non-work factors, especially family-related variables in the withdrawal decisions of expatriates.

When analysing these factors the researcher felt that they were all external to the person, hence adopting Caligiuri's Big Five personality characteristics. These were incorporated in the model to make it comprehensive. Challenges that HR managers still have to deal with have also been stated. The next chapter will deal with the methods used to test the theoretical model and the analysis of demographic details of respondents.

CHAPTER FOUR

THE EMPIRICAL STUDY, METHODS USED AND ANALYSIS OF DEMOGRAPHIC DETAILS OF RESPONDENTS

4.1 INTRODUCTION

In Chapter Two the strategies and staffing policies used in International Business were discussed. This was followed by a brief overview in Chapter Three of the extent and causes of expatriate failure.

The objective of the study is to research further why expatriates still leave their assignments prematurely. The objective is also to come up with a model that can cover most reasons that cause expatriates to return early. The motivation behind the study was that although the South African government is adopting an international stance, it has great numbers of skills shortages, therefore to learn about other skills people need to learn what other countries are doing to succeed. Also, with government supporting Black Economic Empowerment it means that every manager irrespective of race needs to have skills to thrive in the international arena. To learn about business processes and market demands of other countries, managers need to know other countries, their people, their preferences, and lifestyles, so as to offer them products and services to suit their demands.

This is achieved through the following steps:

- Firstly, the research design will be documented in order to explain the steps taken during the study;
- Secondly, the planning of the study will be set out: this covers the population size, the

development of the questionnaire, the pilot study, the administration of the questionnaire, and the responses to the questionnaire;

- Finally, a quantitative analysis of the demographical data of the respondents will be presented to identify the groups that responded to the questionnaire.

4.2 THE RESEARCH DESIGN

Research involves the application of various methods and techniques to create knowledge through the use of scientific methods and procedures (Welman and Kruger, 1999: 2). Allison, O'Sullivan, Owen, Rice, Rothwell and Saunders (1996: 4) add that research is a systematic inquiry that is reported in a form that allows the research methods and outcomes to be accessible to others. Research involves seeking solutions to problems or answers to questions. Riley, Wood, Cark, Wilkie and Szivas (2000: 8) refer to two types of research: pure and applied research. Pure research is that which has no obvious practical implications beyond contributing to a particular area of intellectual inquiry. Applied research, on the other hand, is problem focused and is directed towards solving some particular intellectual question that has practical implications for a client outside the academic world.

This research attempts to develop a strategy in order to solve a problem and is thus applied. According to Welman and Kruger (1999: 12), a research problem refers to some difficulty that the researcher experiences in the context of either a theoretical or practical situation and for which s/he wishes to obtain a solution. In the case of this study the problem posed by the researcher is:

What are the problems experienced by expatriates in International Organisations and what can be done to resolve those problems?

In order to assist in resolving the main problem, three sub-problems were identified:

1. What does literature reveal about the extent and causes of expatriate failure?
2. What problems have South African Multinational Enterprises experienced with expatriates and what solutions can they offer?
3. Which guidelines can be followed in placing expatriates to ensure that the interests of both the company and the expatriate are protected, and that international assignments are handled properly?

The procedure used to solve the main problem and the sub problems was as follows:

- A literature study was conducted so as to understand the strategies and staffing policies HR managers should be aware of as they assign people overseas to learn new skills. (discussed in Chapter Two). The chapter also discussed the relevance of having expatriate managers for the South African companies. Basic understanding of these factors would help in curbing costs associated with wrong or ineffective placements.
- Chapter Three discussed the extent of expatriate failure as well as the causes internationally, resolving sub-problem one. In the chapter it was further stated which problems SA MNE's experienced with expatriates and what solutions can they offer, this to resolve sub-problem two.
- A model of withdrawal cognitions was studied and it addressed most reasons cited by theorists. This was further developed because it was felt that it focuses more on factors external to the expatriate. The the Big “5” personality factors, which are internal to the person were incorporated in the model, this to resolve sub-problem three.

4.3 PLANNING THE EMPIRICAL STUDY

The study was approached by establishing, on the basis of the literature review, the necessity of having expatriates, as companies move through the stages of internationalisation. Staffing policies have been matched with the stages of internalisation, thereafter reasons for international assignments ending in failure have been investigated.

A model that explains why people make withdrawal decisions has been used among knowledgeable practitioners to determine the degree to which they agree with the model. The big “five” personality characteristics have also been included in the model. The questions on withdrawal decisions were borrowed from Shaffer and Harrison’s theory and the big “five” personality factors questions were borrowed from Caligiuri.

This integrated model was used as a basis of compiling a questionnaire to test whether expatriates also saw the afore-named facets as causes of premature returns. The questionnaire was designed in such a way that the responses to the questions could be statistically analysed to determine the degree of concurrence with the theoretical model.

4.3.1 The Population

To identify multinational companies the researcher looked at a publication called “South Africa's Most Promising Companies (2004)”. Fifty five companies from the four provinces of South Africa which are sending employees overseas were contacted to participate in this study.

Certain HR departments of companies were contacted telephonically, and others personally, to find out whether their companies had expatriate managers currently or had had them in the past. Their names and contact details were put in the database. Questionnaires with a covering letter indicating the purpose and scope of study were sent to HR departments and in some cases to individuals whom the researcher knows were once assigned overseas.

Respondents worked in a variety of functional areas, with Information Technology and Sales and Marketing being the most represented specialisations. Over a third of the the companies were foreign owned, and most were in manufacturing, financial, information and communication industries. About a third comprised SA companies that had been operating overseas for more than ten years.

The empirical study was conducted by means of a mail survey with the use of a questionnaire (see Appendix 4) developed from the literature study. The questionnaire was sent to HR practitioners as well as individual respondents. Completed questionnaires from the organisations were picked up after 30 days, and from the expatriates after 30-60 days. The procedure resulted in a total of 74 responses. The results of the questionnaire were tabulated and statistically analysed. The process followed during the empirical study is set out below.

4.3.2 The Development of the Questionnaire

A questionnaire is a common instrument for observing data beyond the physical reach of the observer (Leedy, 1997: 191). The questionnaire used in this study was developed using information gleaned from the literature study (discussed in Chapters two and three). The questions were selected to address each of the factors affecting decisions to withdraw from the

country of assignment.

Instructions: The instructions in a questionnaire must ensure that all respondents are treated equally. Two principles form the foundation for good instructions; clarity and courtesy. These two principles were used in the development of the questionnaire.

Types of questions used: Riley et al (1998: 82) state that there may be open and closed questions. A closed question is one where responses are restricted to a small set of responses that generate precise answers. Open-ended questions do not impose restrictions on the possible answer, but are difficult to aggregate and computerize. However, the response is often richer and deeper. Jankowicz (2000: 269) notes that a structured questionnaire must provide questions possessing an element of ‘steering’ information for the respondent without any prompting from the researcher. This is the method that was used in the questionnaire developed for the empirical study.

The questionnaire to the organisations asked for background information including the number of expatriates sent overseas, and the percentage and causes of failure overseas. Companies were also asked for detailed information on their cross-cultural training practices, for example:

- Does the company offer cross-cultural training to expatriates and spouses?
- What are the most important components to be included in cross-cultural training?
- Does the company offer pre-departure and on-site cross-cultural training?

The questionnaire to the expatriate was divided into two parts. Part 1 consisted of biographical questions that offered choices for the respondent to tick. Questions in this section surveyed the

number of years the employees have been in the organisation, geographical location of the organisation, gender, race, the position of the respondent in the organisation and whether the respondent was accompanied by a spouse to the host country.

Part 2 consisted of a combination of open-ended and closed questions. Some of these required respondents to record the degree to which they concurred with certain statements; others required ranking in order of importance and the balance were “yes” or “no” type questions. The benefits of each method of questioning are set out below.

The Likert scale is the most widely used form of scaled items where the respondent chooses a point on a scale that best represents his/her view (Allison et al, 1996: 83). In this study a five point Likert-type scale was used. Scoring for the scale was as follows; 1 indicated strong disagreement, 2 disagreement, 3 uncertainty, 4 agreement and 5 strong agreement. Riley et al (1999: 121) add that the Likert scale must have some dividing point between positive and negative. This function is performed by the mid-point in this scale, which is neutral. The scale is used to measure a batch of attitudes that are added together for the researcher to draw conclusions. Due to the small sample and the subsequent low number of responses it was decided, after discussion with a statistician, in some cases to reduce the five-point scale to three. This meant that the responses to the statements “strongly agree” and “agree” were combined and that the statements “strongly disagree” and “disagree” were combined. The statement “uncertain or indifferent” remained unchanged.

In ordinal measurement, according to Singleton, Straits and Straits (1993: 111), numbers are used to rank the order of cases on some variable. In the study ordinal measurement was used to measure the intervals between variables pertaining to certain practices in the organisations

surveyed. Singleton et al (1993: 112) feel that ordinal measurement is rather crude and as such few statistical operations may be used in their analysis.

Wording of questions: Thomas (1996: 121) states that questions should not lead respondents who do not have clear views of their own on a particular issue. Grammar should be simple and the things that the respondents have to keep in mind in order to understand the question should be limited. Specific terms should be used in preference to abstract ones: this ensures that the respondent has a clear understanding of the question. Finally, the questions should be easy for the respondent to answer. For example “tick one box only”. Cooper and Schindler (1998: 332 – 333) note that it is impossible to say which wording of a question is best: there may be several areas that may cause a respondent confusion and this results in measurement error.

Riley et al (1999: 96 – 97) name the following key issues pertaining to questionnaire design:

- Use simple and concise language;
- Do not make unrealistic demands of those who fill in the questionnaire;
- Each question should ask about only one topic;
- Each question should have no ‘escape route’, for example, don’t know, no comment;
- Each question should be polite;
- Be straightforward and guard against double meanings;
- Get the question order right;
- Make the layout easy to follow;
- Give clear instructions;
- Test the questionnaire first.

Cooper and Schindler (1998: 333) add that open-ended questions may be used for comments

and to capture any unusual circumstances not covered in the structured factor list.

Length of questionnaire: According to Thomas (1996: 121), a questionnaire should not be long and complicated. More pages with a clear and user-friendly layout are better than fewer pages with a cramped and forbidding layout.

The above principles were followed when drawing up the questionnaire. In addition the draft questionnaire was tested in a pilot study.

Contents of the questionnaire to the expatriate: In order for a clear understanding of why certain questions were included in the questionnaire, the discussion set out below will explain the rationale for the structure of each section of the questionnaire.

For ease of answering questions and the subsequent analysis of data gathered by in the empirical study, the questionnaire was divided into six sections. Each section will be discussed below.

Section 1 – This section covered the demographical data of respondents. The data gathered in this section are independent variables that were used to establish relationships between the dependent variables measured in the rest of the questionnaire.

Section 2 – The questions in this section dealt with cross-cultural training. The aim was to establish if expatriates and their spouses received cross-cultural training before they left their organisations in South Africa, as well as when they were in the host country. This would establish whether knowledge of the culture has a positive effect in making expatriates stay in

their assignments. Organisations that give cultural training to their employees may make use of such training. Organisations also have a list of training methods or approaches they can choose from.

Section 3 – Questions in this section dealt with personality characteristics. They were asked to establish if the expatriate was able to communicate effectively with others, was able to deal with not so popular ideas with courtesy and tact, and was not judgemental in evaluating host nationals. Questions were also asked to determine if the expatriate had any problem coping at work, especially in stressful situations. A person with an outgoing personality makes better relationships, shares information with friends and colleagues and also develops personally.

Section 4 – Questions in this section dealt with the adjustment of the expatriate and his or her spouse in general in the host country as well as the adjustment of the expatriate to the specific job responsibilities. Questions focused on culture novelty, which refers to the similarities in general living conditions, and social support between the home country and the host country.

Section 5 – Poses questions pertaining to whether the expatriate was satisfied with the assignments and whether he or she was willing to take on another assignment.

Section 6 – The questions in this section were to establish how the expatriate was identified. They are to determine if the expatriate was identified by a manager, due to previous overseas assignment, by volunteering or by recommendation from HR. Combination of the above factors is more likely to cause an expatriate to stay overseas than if only identified due to one of the factors.

4.3.3 Mail survey

For the purposes of the study, a mail survey was selected. This was done for a variety of reasons. Kemp (1997: 181) notes that a mail survey is relatively cheap, one person can handle the administration, there is more anonymity than with other forms of communication and a mailed questionnaire may be easily standardised. An electronic version of the questionnaire was sent to the HR managers in instances where there were more than five expatriates or where the expatriate was currently posted overseas.

4.3.4 The Pilot Study

According to Riley et al (1999: 97), the task of creating a questionnaire must be seen as a part of a larger application that involves not only the development, but its application too. They suggest the following process:

- Identify the topic and set objectives;
- Pilot the questionnaire to find out what people know and what they see as important issues;
- List the areas of information needed and refine the objectives;
- Review the pilot responses;
- Finalise the objectives;
- Draw up a questionnaire;
- Re-pilot the questionnaire;
- Finalise the questionnaire;
- Code the questionnaire.

Prior to conducting the pilot study, the questionnaire was checked by a senior lecturer, who is a member of staff at the MBA Unit at the Nelson Mandela Metropolitan University, and also by a statistician, and the necessary adjustments were made.

A pilot study has two main functions (Thomas, 1996: 122). The first is the development of instruments and procedures where the pilot study is a step on the way towards the final design. This developmental pilot study may include features which may not be part of the main survey, such as asking respondents if they understood the questions in the way intended.

The second function is a rehearsal of instruments and procedures, where the aim is to fine-tune the design of the questionnaire. The results of the pilot survey for this project were not included in the survey results.

4.3.5 Administering the Questionnaire

The study was conducted using two questionnaires: one to the organisation and one to the expatriates. The section to follow outlines how the questionnaires were administered.

4.3.5.1 Questionnaire to the Organisation

The questionnaire was posted, together with a covering letter (Appendices 1 and 2), on 23 July 2004. The aim of the covering letter was to provide the following information:

- the aim of the research;
- the fact that the questionnaire would take less than 20 minutes to complete;
- reference to the self-addressed envelope enclosed;
- an offer to make a summary of the study available if so desired.

A cut-off date of 24 August 2004 was set for return of the completed questionnaires.

Thereafter the researcher, in order to expedite the responses, telephonically contacted the companies to request that they respond, had they not yet done so. The final cut off date was then set at 14 September 2004.

4.3.5.2 Procedure

A first mailing list was made to the Human Resources Managers in each of these organisations to solicit their participation. This mailing included a letter to the organisation (Appendix 1) explaining the objectives of the research and outlining what was expected of them should they agree to participate. The questionnaire to the organisation (Appendix 2), and a copy of the questionnaires that would later be distributed to expatriates were also included. Follow-up calls were made to the companies two weeks later and approximately five company representatives agreed to participate. Other companies were solicited by telephone, and the same package that was sent to the four company representatives who agreed to participate.

From the 55 companies that were contacted, 25 companies indicated that they currently had no expatriation programmes. Thirty companies met the criteria and agreed to participate in the study.

4.3.5.3 Questionnaires to expatriates

The questionnaire to the expatriates asked for information regarding cross-cultural training received or undertaken, culture novelty, social support, adjustment, satisfaction, personality traits and stress overseas, as well as willingness to accept another assignment overseas, and intention of their spouse to remain in the assignment for its expected duration. Time since arrival, country of assignment, position and tenure in the organisation and in the position, previous international experience, length of the assignment and demographic variables were

also examined. The questionnaire took approximately 20 minutes to complete.

Some of the expatriates were selected by their organisations and others were selected through personal contacts, with the aid of friends and business acquaintances made a list of people who had once been assigned to work overseas.

4.3.5.4 Procedure

To preserve the anonymity of the expatriates and their spouses, the mailing was carried out by the organisations. In each participating organisation the contact person received five questionnaires (Appendix 4) to be distributed to expatriates.

A covering letter to the expatriates (Appendix 3) explaining the objectives of the research and asking for their participation was also included. Companies mailed surveys to expatriates overseas. The HR director was provided with pre-addressed envelopes to return surveys to the researcher. Local employees who had been assigned overseas were also provided with a pre-addressed envelope to return surveys directly to the researcher.

4.4 Responses from the Organisation

Twenty two companies completed and returned their questionnaires, for a response rate of 62.8%. Seven of these companies were in the Information Technology sector, four in transportation, two of each in manufacturing, telecommunications, tourism, metals, and three in minerals and energy. All companies had fewer than ten employees overseas. Eight companies had been sending employees overseas for more than ten years, seven for less than ten years and six companies did not provide this information. Continents to which these

employees are sent by these companies are presented in Table 4.1.

Table 4.1: Number of expatriates per continent

CONTINENT	NUMBER OF EXPATRIATES
America	23
Europe	19
Asia	9
Africa	17
Australia	6
TOTAL	74

Source: Adapted from the Results of the Questionnaire

4.5 Responses from the Expatriates

One hundred and fifty questionnaires were sent out to employees who had been assigned overseas and to 25 employees who are currently posted overseas. Eighty-three questionnaires were returned by expatriates, for a response rate of 47 percent. Nine questionnaires were rejected five because the expatriate was not born in South Africa and four because the expatriate had been on-site for more than five years. The total number of usable questionnaires was therefore 74.

Sixty-nine expatriates were male and five were female. Sixty-four of the males were married or living with a partner. Thirty two expatriates had tertiary education. Eight expatriates were top executives, 13 were division heads, 44 were middle managers, five were technical specialists and four held other positions. The average age for this sample was 41 years. The average tenure in the organisation was six years and the average tenure in the position was two-to-three years. Expatriates were assigned in 23 different counties, spread across five continents as shown in table 4.1.

Less than 50 percent of the respondents had either lived in or visited the host country before the assignment. Fourteen expatriates had lived in the host country for a minimum of three years. Twenty two expatriates had previous experience living in a country with a culture similar to the host country. Thirty-seven percent of the expatriates had no previous experience living in another country.

Almost all top executives, all division heads and most middle managers who participated in the study were accompanied overseas, 40 percent of the technical specialists were accompanied, while only one third of expatriates who held other positions were accompanied. Seventy-two percent of the expatriates were accompanied by their female spouses overseas.

Twenty-four spouses had tertiary education. Nine spouses worked during the assignment overseas. In contrast to the expatriates, less than 20 percent of the spouses had either lived in or visited the host country before the assignment. Eight spouses had previous experience of living in countries that differed from the host country.

4.6 AN ANALYSIS OF THE DEMOGRAPHICAL DATA

The responses were subjected to a qualitative analysis which revealed that there were three additional facets that should be added to the theoretical model. Because different race groups do not necessarily feel the same about matters, it was decided that the chi-square should be used to determine if there were any significant differences between racial groups.

Although spousal adjustment in most literature has been cited as the main cause of early return,

unmarried expatriates were not excluded to measure the difference. Due to the size of the population it was decided to use the total population and not a sample. The population numbered 30 companies in South Africa. A breakdown of companies by region may be seen in Table 4.2

Table 4.2: Number of contacted companies in the province

AREA	NUMBER OF COMPANIES
Gauteng Province	16
KwaZulu Natal	3
Western Cape	6
Eastern Cape	5
TOTAL	30

Source: Adapted from the Results of the Questionnaire

Based on the lists shown above each, company was contacted, the names of the managing director and human resource manager were obtained and a questionnaire was sent to each by name. The reason for the selection of the managing director as one respondent is the strategic nature of the job and a concomitant knowledge of strategic initiatives regarding expatriates. Human resource managers were polled as they are the senior officials for the development of human capital in their organizations. Some companies did not have a human resources department and so only one questionnaire was sent to them. Table 6.2 shows the number of questionnaires by area sent out.

Table 4.3: Number of questionnaires sent out

AREA	SIZE OF POPULATION
Gauteng Province	80
KwaZulu Natal	15
Western Cape	30
Eastern Cape	25
Other	25
TOTAL	175

Source: Adapted from the Results of the Questionnaire

The questionnaires were sent out on 23 July 2004 with a return date of 24 August 2004.

4.6.1 Response rate

The response rate for the questionnaires as at 24 August 2004 is shown in Table 4.4 below.

Table 4.4: Responses on or before due date

AREA	RESPONSES	QUESTIONNAIRES	PERCENTAGE
Gauteng Province	20	80	25
KwaZulu Natal	2	15	13.3
Western Cape	11	30	36.6
Eastern Cape	8	25	32
Other	5	25	20
TOTAL	41	175	29

Source: Adapted from the Results of the Questionnaire

From the above it can be seen that the response from KwaZulu Natal was poor reflecting that only two of the 15 questionnaires were returned. In the Western Cape responses numbered 11 of the 30 questionnaires sent out.

Table 4.5 represents the total responses after a telephonic follow-up with the list of individuals to whom the questionnaire was posted requesting that if they had not submitted the questionnaire they should do so before the final due date on 14 September 2004. This elicited a response 14 from individuals contacted by the researcher (70%), five from the KwaZulu Natal (38%) and 18 from the Gauteng Province (30%). A total response rate of 32.5% was achieved.

Table 4.5: Responses after follow up

AREA	RESPONSES	QUESTIONNAIRES	PERCENTAGE
Gauteng Province	18	60	30
KwaZulu Natal	5	13	38
Western Cape	5	19	26
Eastern Cape	5	17	29
Other	14	20	70
TOTAL	42	129	32.5

Source: Adapted from the Results of the Questionnaire

As stated before, 83 questionnaires were received, Nine were rejected and the total number of usable questionnaires was therefore 74. All in all the questionnaires received added up to 47.42%.

According to Welman and Kruger (1999: 152), responses frequently fall below fifty percent. Emory and Cooper (1991: 333) state that thirty percent is an acceptable response rate for postal surveys. The response rate of 47.42 percent was acceptable.

4.6.2 Analysis of demographic information

Part 1 of the questionnaire required respondents to complete general information about their positions and their organisations. These questions were designed to highlight independent variables that could then be used to facilitate comparisons between responses to the dependent variables in the study, namely responses to questions in Part 2. The results of the questions posed in Part 1 are provided in Tables 4.6 to 4.9 as set out below.

Table 4.6: Respondents by position in the company

POSITION	RESPONSES	PERCENTAGE
Top Executives	8	10.8
Division Heads	13	17.56
Middle Manager	44	59.45
Technical Specialists	5	6.76
Other	4	5.4
TOTAL	74	100

Source: Adapted from the Results of the Questionnaire

Table 4.6 shows that middle managers made up the greatest percentage of respondents (59.45%). It is interesting to note that from the analysis of the results of the questionnaire, four respondents falling under ‘other’, were also posted overseas.

Table 4.7: Respondents by tenure in the organisation and tenure in position

NO. OF YEARS	TENURE IN ORGANISATION	TENURE IN POSITION
0 - 1yr	0	20
1 - 2yrs	4	12
2 -3yrs	6	16
3 - 4yrs	25	20
5 or more	37	6
TOTAL	74	74

Source: Adapted from the Results of the Questionnaire

Table 4.7 shows that although 50 percent of the expatriates were in the company for more than five years, 64% of them have not been in the position for more than two years.

Table 4.8: Respondents by previous visit in the host country

POSITION	RESPONSES	HOST VISIT	OTHER COUNTRY VISIT
Top Executives	8	6	8
Division Heads	13	8	10
Middle Manager	44	0	4
Technical Specialists	5	0	0
Other	4	0	0
TOTAL	74	14	22

Source: Adapted from the Results of the Questionnaire

It is interesting to note that from Table 4.8 that about 27 percent of respondents had visited the host country, 43 percent of them reported that they had visited other overseas countries. More than 50 percent of the respondents had not visited the host country nor other countries.

Table 4.9: Expatriates Accompanied by Spouses

POSITION	NO. OF SPOUSES	PERCENTAGE
Top Executives	8	100
Division Heads	13	100
Middle Manager	34	77.27
Technical Specialists	2	40
Other	0	0
TOTAL	57	63.45

Source: Adapted from the Results of the Questionnaire

Table 4.9 shows that responses received reflected that 80 percent of executives, division heads and middle managers were accompanied overseas. Forty percent of technical specialists were accompanied. Other expatriates were not accompanied.

4.6.3 Reliability and validity of the measuring instrument:

Validity and reliability are terms that, according to Leedy (1997: 32), are encountered repeatedly in research methodology. They are primarily concerned with the measuring instrument and contribute to the integrity of the research. Each term is discussed below.

4.6.3.1 Validity

Validity is concerned with the soundness and effectiveness of the measuring instrument (Leedy, 1997: 32). It must be asked whether the measuring instrument measures what it is intended to measure or not, and the degree of accuracy of that measurement. In this study, the question asked was “Does the questionnaire measure what it intended to measure?”

According to Leedy (1997: 33), there are several types of validity. These are:

- Face validity: This is a subjective validity where the questions are scrutinised to establish their relation to the subject under discussion. Face validity refers to whether the questions seem appropriate or not in the context of the study.
- Criterion validity: This is where validity is determined by relating a performance measure to another measure that may be used as a standard against which results are measured.
- Content validity: This is related to face validity. Content validity is where the accuracy of the instrument in measuring the factors of concern to the study is scrutinized.
- Construct validity: This is the degree to which the content of the study is measured by the questionnaire. In the case of this study “What are the reasons why expatriate return home

early and what can be done to solve that problem?”.

- Internal validity: This is concerned with the formulation of conclusions based on the actual results gleaned from the study and not based on any opinion that is influenced by researcher bias.
- External validity: This is the degree to which the conclusions reached in the study may be applied to the broader population and not merely the sample studied.

In this study great care was taken to assure validity of the measuring instrument, by consulting knowledgeable people through the medium of a pilot study. The pilot study was conducted amongst colleagues who had once worked overseas, although not for three years. The aim of the pilot study was specifically to ensure that the questionnaire was presented in a logical manner as well as being designed to measure what it was meant to.

4.6.3.2 Reliability

Reliability is the consistency with which the measuring instrument performs (Leedy, 1997: 35). This means that apart from delivering accurate results, the measuring instrument must deliver similar results consistently. Riley et al (2000: 126) feel that reliability refers to whether the measuring instrument, in this case the questionnaire, consistently measures what it was intended to measure. Singleton et al (1993:121) feel that reliability may be improved through conducting exploratory studies in the area of interest, or by conducting pretests on a small sample of persons similar in characteristics to the target group. In this study, both of the above activities were conducted by the researcher - in the form of a comprehensive literature study

(see Chapters 2 and 3) and a pilot survey conducted on colleagues who had similar profiles to the recipients of the questionnaire and who were knowledgeable on the topic.

4.7 SUMMARY

The aim of this chapter was to document the planning and the process used in the empirical study as well as a quantitative analysis of the demographic details of respondents. This was conducted through a brief overview of literature relevant to the research methodology as well as detailed documentation of the process used to glean information from the respondents. The demographic details of the respondents reported in Part 1 of the questionnaire were presented in tabular form. The chapter concluded with a brief discussion of the validity and reliability of the data gathered through the use of the questionnaire. Chapter Five deals with an analysis of the data gathered in Part 2 of the questionnaire.

CHAPTER FIVE

THE INTERPRETATION AND ANALYSIS OF THE RESULTS OF THE QUESTIONNAIRE

5.1 INTRODUCTION

In the previous chapters the reasons for the early return of expatriates from their overseas assignments were looked at through the literature study. Shaffer and Harrison's theory (1998) proposed facets that might cause expatriates to have withdrawal cognitions. Because the theory only focused on traits external to the individual, five prominent personality characteristics were also incorporated in the model. This model was used as a basis to construct a questionnaire that was sent to the expatriates. In Chapter Four the results of the demographic factors were described and analysed. In this chapter measures of demographic variables and measures of outcomes overseas will be described, and results will be interpreted and analysed.

5.2. MEASURES OF DEMOGRAPHICS

Country of assignment was measured through a self-reported factual measure of the name of the country. Given the large number of different countries, a variable labelled Continent of assignment was created and the country of assignment was re-categorised into one of the five continents: Africa, America, Asia, Europe and Australia.

Time since arrival was measured through a self-reported factual measure of time (in years and

months) spent in the assignment. Duration of the assignment was measured through a self-reported factual measure of duration of the assignment.

The position of the expatriate was measured by ticking off one of the four items (top executive, division head, middle manager, and technical specialist), with a possibility of selecting and defining other positions.

Tenure in position was measured through a self-reported factual measure of time (in years and months) spent working in the position. Data for tenure in position was re-categorised into six different categories (1=less than 1 year, 2=12-24 months, 3=25-36 months, 4=37-48 months, 5=49-60 months and 6=more than 5 years). Tenure in the organisation was measured through a self-reported factual measure of time spent working in the organisation.

Previous international experience was evaluated by self-reported factual measures of length (in months) of previous experience in the host country and location of previous experience in a country with a similar culture, and location of other previous international experience. Spouse working overseas while accompanying the expatriate was measured by checking either yes or no.

Demographic variables also included: (1) age; (2) gender (male or female); (3) education (undergraduate or graduate); (4) country of origin (name); and (5) year of immigration to South Africa. In addition, expatriates were asked to indicate: (6) their marital status (married/living with a partner or single/divorced/widowed); and, (7) whether or not they were accompanied by their spouses overseas.

5.3 MEASURES AND ANALYSIS OF OUTCOMES OVERSEAS

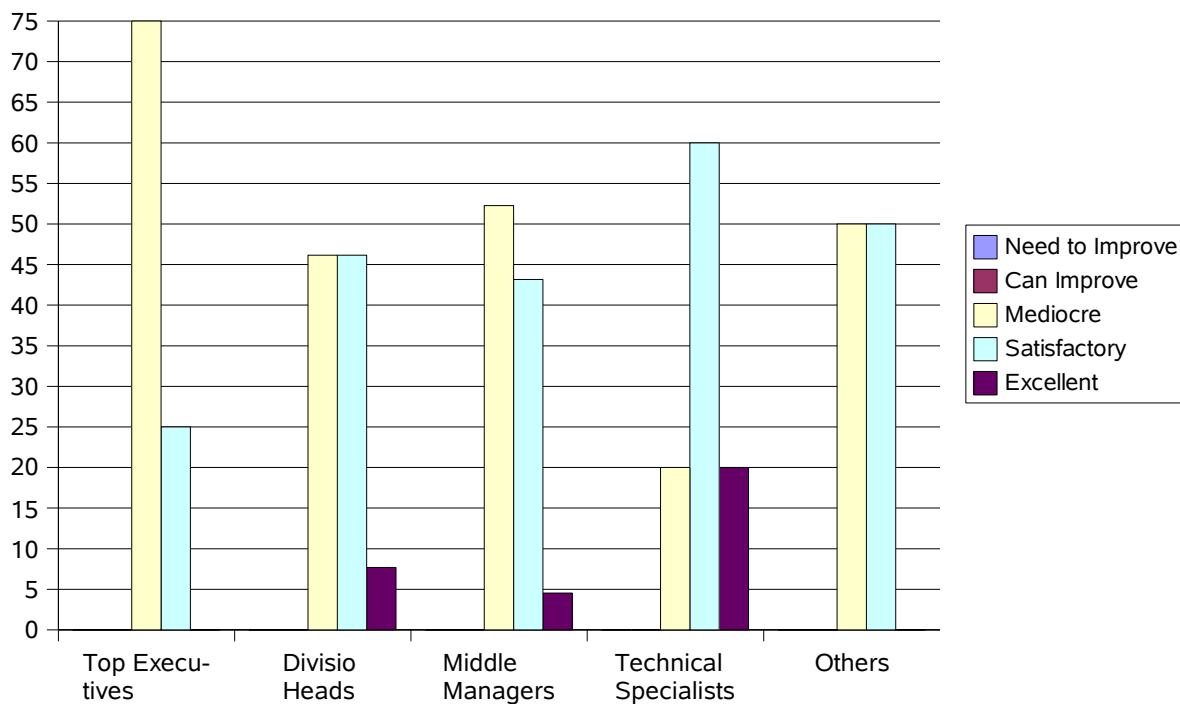
5.3.1 Cross Cultural Training

Cross-cultural training (CCT) methods which ranked in rigour according to Black and Mendenhall's (1989: 523) framework were provided to participants, with a possibility of selecting and defining other methods. Participants were asked to indicate the total number of days of training received (offered by the organization and self initiated), using a six point linear numeric scale (0=none, 1=less than 1 day, 2=1 day; 3=2 days; 4=3-7days and 5=more than 7 days).

Composite scores for each expatriate and each spouse were obtained for low, medium and high rigour of cross cultural training according to Mendenhall and Oddou (1986: 75) in the following manner, (1) an average composite score was obtained for low rigour CCT (informative methods) by pooling responses for information, audio-visuals and basic language cross-cultural training methods and dividing the total score obtained by the number of informative methods used for the cross-cultural of the expatriate or the spouse; (2) an average composite score was obtained for medium rigour CCT (cognitive methods) by pooling responses for role modelling, case studies, and culture assimilator cross-cultural training methods, and dividing the total score obtained by the number of cognitive methods used for the cross-cultural training of the expatriate and the spouse; and, (3) an average composite score was obtained for high rigour CCT (participative methods) by pooling responses for role plays, culture awareness, self-awareness, behaviour modification, intensive language training, encounters and area simulations cross-cultural training methods and dividing the total score obtained by the number of participative methods used for the cross-cultural training of the expatriate and the spouse.

It should be noted that the composite scores resulted for some levels in the loss of the correspondence between the scores and the labels. For example, someone who had received one day of information training (score=2), less than one day of audio-visuals training (score=1) and two days of basic language training (score=3) would get an average composite score of two, but that would not mean that the person had received one day of training. However, the rank of the scores is still meaningful.

Graph 5.1: An Illustration of Expatriates that Received Cross-Cultural Training



Results indicate that less than half of the companies surveyed offered cross-cultural training to expatriates and spouses. These findings are in line with those reported by Tung (1982 : 62), who indicated that only 32 percent of U.S. companies have formalised training programs to prepare their candidates for overseas assignments.

Twenty percent of the expatriates had received pre-departure cross-cultural training and most of them were Top Executives and Division Heads. Eight percent had received on-site cross-cultural training, and six percent had received a mix of pre-departure and on-site cross-cultural training. Sixty-six percent of the expatriates had received no cross-cultural training. Informative methods were the most used for those that received on-site cultural training.

5.3.1.1 CCT practices with respect to the position of the expatriates

One of the six companies indicated that they offered CCT to expatriates and spouses, four companies indicated that they offered training to every expatriate, while one company indicated that they they offered CCT only to middle managers and technical specialists. Three companies use the same methods for all expatriates and no company had methods that varied according to the position of the expatriate.

5.3.1.2 CCT practices depending on the country of assignment.

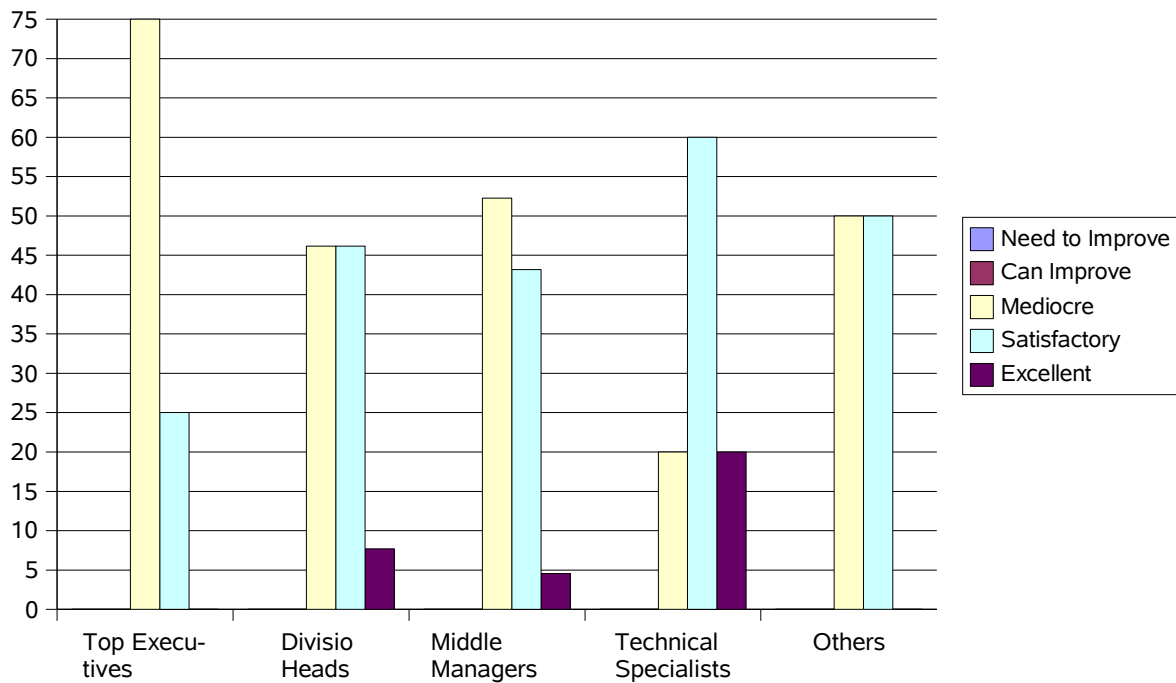
Three companies offered training for expatriates whatever the country of assignment. One company indicated that training depends on the availability of information for the destination, and the other one indicated that they give expatriates information if there are major differences in lifestyle or culture and language training where necessary.

5.3.2 Culture novelty

Culture novelty consisted of eight items (everyday customs, general living conditions, healthcare facilities, transportation system, cost of living, quality and type of food and housing conditions), measured on a five-point scale (1=very different, 5=very similar).

A composite score for culture novelty for each expatriate and spouse was obtained by pooling and averaging answers. A low score on the scale meant that the culture was very different to South Africa's.

Graph 5.2: An Illustration of Culture Novelty

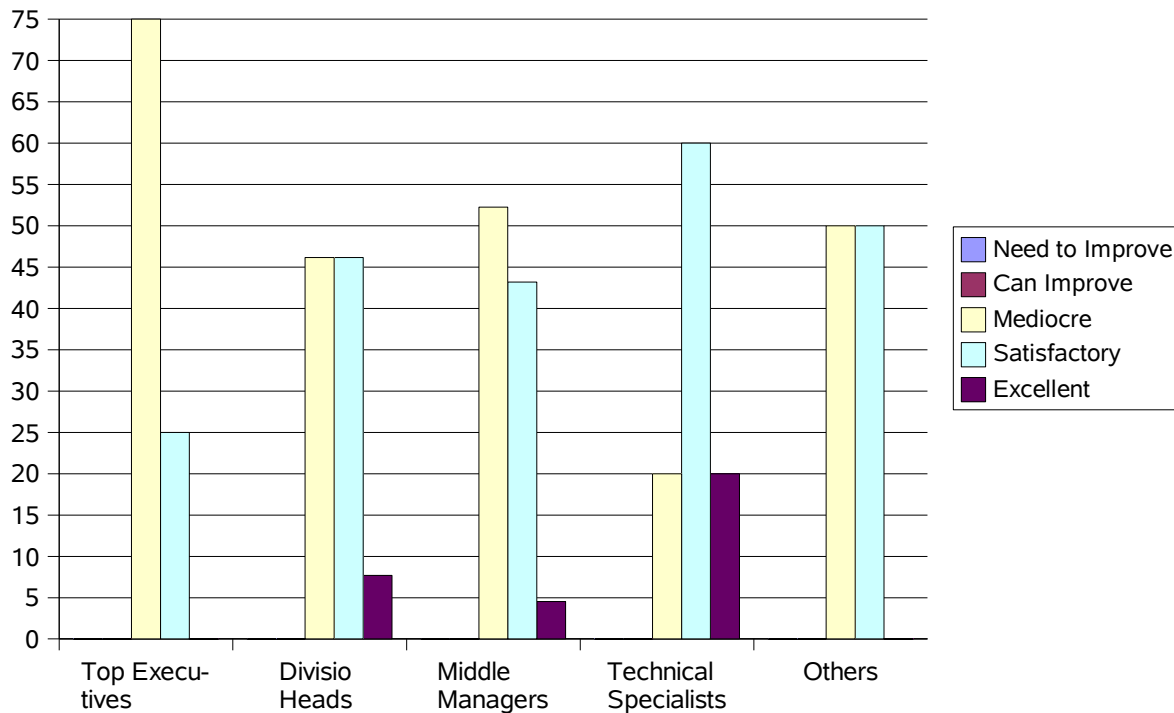


The descriptive results for culture novelty suggest that in general, expatriates found the culture of the host country to be somewhat different from other cultures. Mean of 1.94 on a scale from 1- 5. The standard deviation was 1.92 which means the results are clustered around the mean. Healthcare facilities, transportation system, housing conditions were different generally but were of higher standard in most countries. Everyday customs, quality and type of food were rated as very different by most respondents. Some of them reported that they would go and interact with host nationals but felt uncomfortable around them. Only Top Executives and Division Heads reported similarities between the cultures.

5.3.3 Personality Characteristics

Personality characteristics were measured through self-report measures using a scale of 1-5. These items were measured on a five-point linear numeric scale (1=need to improve, 5=excellent). This resulted in a numeric scale where 5 was need to improve and 20 meant having an outgoing personality. This was also pooled into the composite score.

Graph 5.3: An Illustration of Personality Characteristics

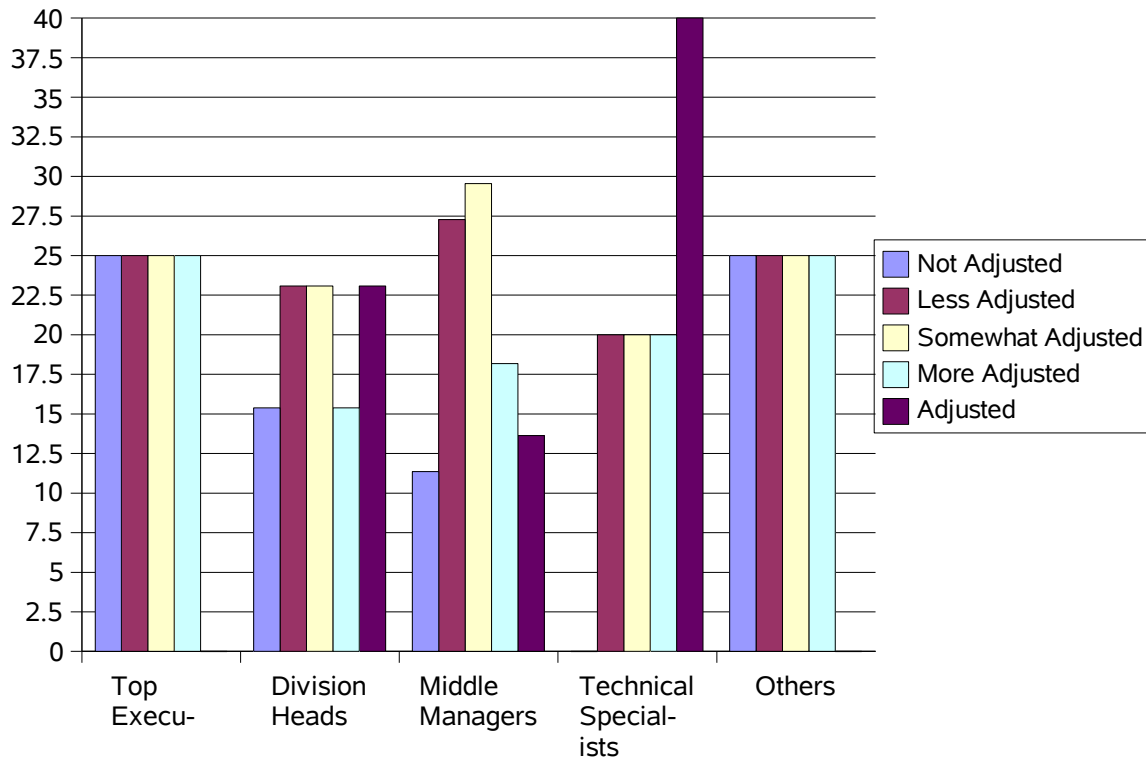


Results showed that more than 80 percent of the respondents rated themselves as having a satisfactory to an excellent personality. About 70 percent of the respondents rated themselves as open about other cultures, their scores were high in agreeableness and extroversion. About 80 percent of the respondents rated themselves as being in an excellent emotional state and having job knowledge. However, the working culture was rated generally low. The mean for personality characteristics was 15.85 and the standard deviation was 15.64. This further shows that expatriates viewed themselves as having a satisfactory personality.

5.3.4 Expatriate Adjustment

Expatriate adjustment was measured through self-report measures, using Black and Stephens' (1989: 533) adjustment scale (adjustment to work, adjustment to interacting with host country nationals and general adjustment). Adjustment to work consists of three items: *specific job responsibilities, performance standards and expectations, and supervisory responsibilities*. Adjustment to interactions with host country nationals consists of two items: *socializing with host nationals, interacting with host nationals outside of work*. General adjustment consists of seven items: living conditions, housing conditions, food, shopping, cost of living, entertainment /recreation facilities, and health care facilities. These items were measured on a five-point linear numeric scale (1=not adjusted, 5=adjusted).

Graph 5.4: An Illustration of Expatriate Adjustment



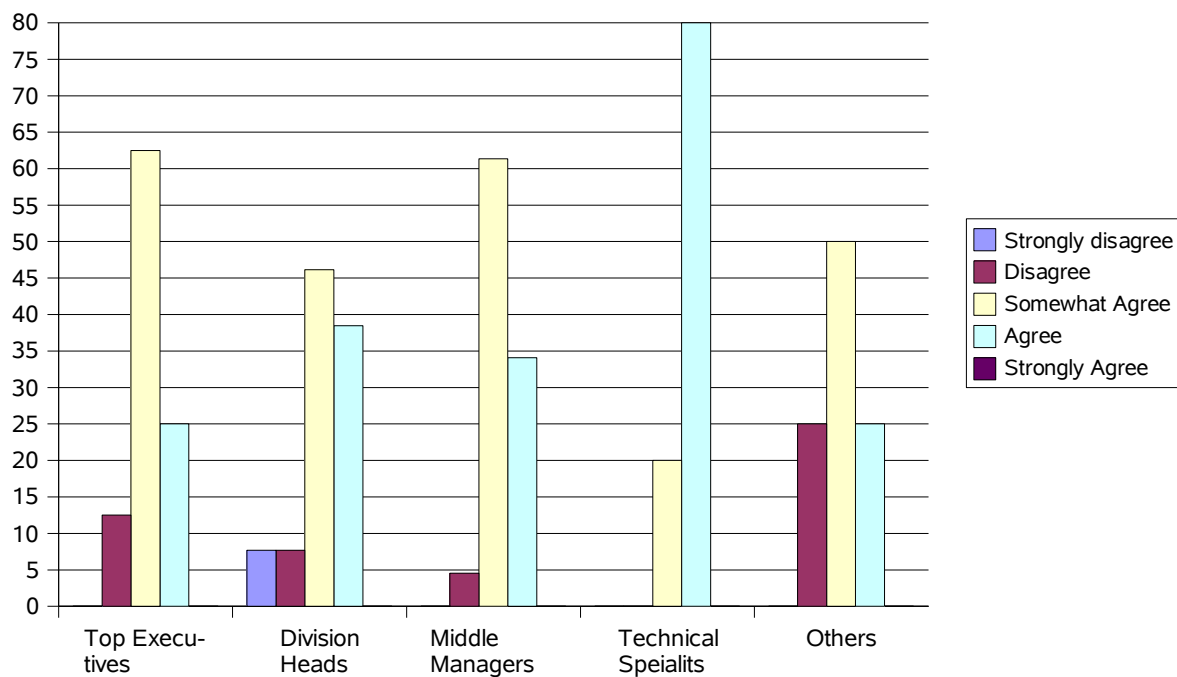
The results for adjustment indicate that 60.78 expatriates ranged between somewhat adjusted and adjusted. Mean of 2.96 on a scale from 1 to 5 also confirms this finding. Some of the division heads and technical specialists reported that they were well adjusted to work, and relatively well adjusted to interacting with host country nationals (mean = 3). Because two of the three facets of adjustment were highly related, a single index was formed for adjustment (mean = 3)

5.3.5 Spouse adjustment

Spouse Adjustment was also measured through self-report measures, using Black and Stephens' (1989: 533) adjustment scale (adjustment to work, adjustment to interacting with host country

nationals and general adjustment). Adjustment to interactions with host country nationals consists of two items: *socializing with host nationals*, and *interacting with host nationals on a day-to-day basis*. General adjustment consists of seven items: living conditions, housing conditions, food, shopping, cost of living, entertainment/recreation facilities, and health care facilities. These items were measured on a five-point linear numeric scale (1=not adjusted, 5=adjusted).

Graph 5.5: An Illustration of Spouse Adjustment



Results indicate that more than 60 percent of the spouses were less adjusted, mean of 2 on a scale from 1-5 and a standard deviation of 1.97. Most of them could not interact with the host nationals on a day-to-day basis. None of the respondents reported that they were adjusted. Most respondents claimed that the health conditions were not favourable to them and that caused them and their

families to suffer from chronic ill-health.

The results also prove that the adjustment of the spouse is highly correlated to the adjustment of the expatriate manager and the adjustment of the spouse and the expatriate are positively related to the expatriate's intention to stay in the overseas assignment.

5.3.6 Satisfaction

Satisfaction was measured through self-report measures, using a scale adapted from Quinn and Staines (1979 : 476). Satisfaction consists of four items measured on a three-or-four response alternative. Because of the complexity of this scale, the full scale is reported here:

All in all, how satisfied would you say you are/were with this assignment?

Knowing what you know now, if you had to decide all over again whether to take the assignment you now have, what would you decide?

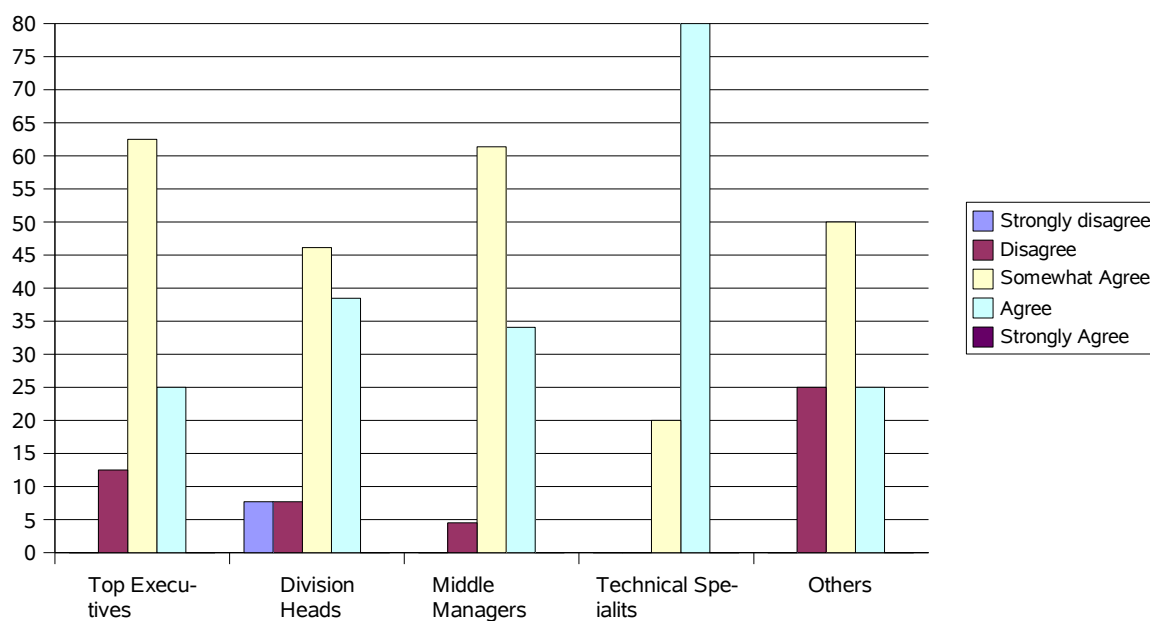
In general, how well would you say that your assignment measures/d up to the sort of assignment you wanted when you took it?

If a good friend of yours told you he or she was interested in working in an assignment like yours, what would you tell him or her?

Answering 1, 2, 3 or 4 received a score of 5, 3, 1 and 1 respectively. For the remaining three items, answering 1, 2 or 3 received a score of 5, 3, and 1 respectively. This resulted in a numeric scale where 4=not at all satisfied, 20=very satisfied) which was pooled into one composite score.

Results for satisfaction with the assignment, intention to stay and willingness to return were not so high (mean for satisfaction = 10.2 out of a possible maximum score of 20; mean for intention to stay = 2.5 on a scale of 1 to 5; mean for willingness to return = 2.6 on a scale from 1 to 5).

Graph 5.6: An Illustration of Satisfaction

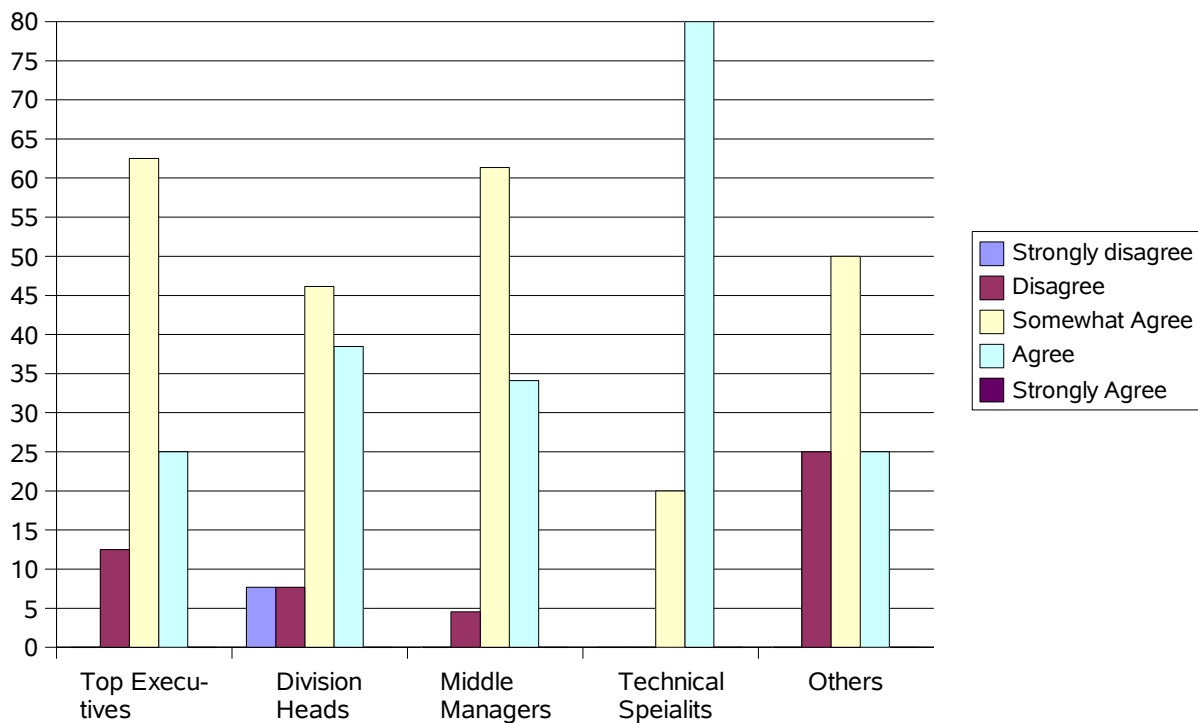


None of the respondents reported that they were not satisfied at all with the assignment. Most expatriates reported that they were indifferent and were not satisfied with the assignments. Top Executives felt resistance from the home nationals and that led to their spouses not being happy overseas. Most reported home sickness, not having much freedom to change the job to suit their abilities. Some respondents indicated that they were very satisfied and some were somewhat satisfied.

5.3.7 Feelings about the assignment

Feelings about the assignment were measured through self-report measures. The following items were measured: made it hard to spend time with family, made me feel guilty to take time off; left little time for other activities; too much work too little time; made me feel guilty to take time off. These items were measured on a four-point Likert scale (1=strongly disagree, 4=strongly agree). This resulted in a numeric scale where 4=strongly disagree, 20=strongly agree)

Graph 5.7: An Illustration of Feelings about the Assignment

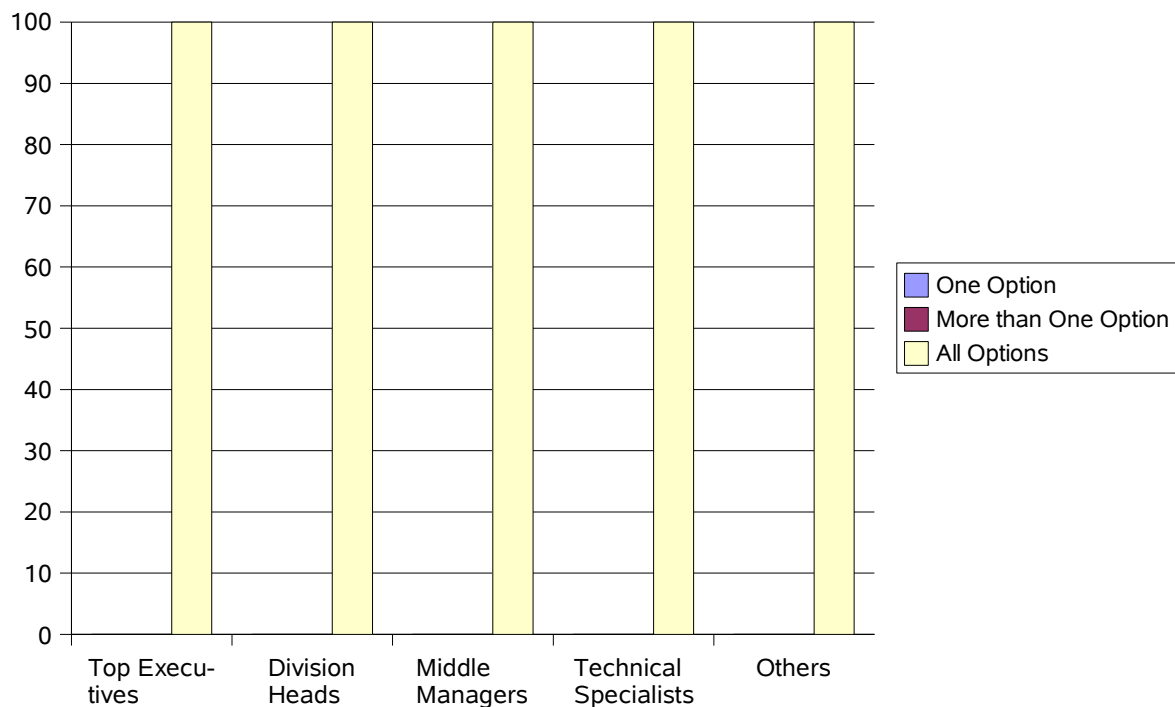


More than 50 percent of the respondents agreed that the assignment made it hard for them to spend time with family, made them feel guilty to take time off; left little time for other activities; had too much work too little time; made them feel guilty to take time off. About 56 percent of them somewhat agreed that they did too much work and had little time to spend with their families. The mean for feelings about the assignment was 11.24 and it is skewed positively towards agreeing with the statements.

5.3.8 Selection

How an expatriate should be identified was measured by self-report measures. An expatriate was asked to select what he or she felt was the correct method of being identified. Respondents could choose more than one option and give reasons for their choices. Respondents were also given open-ended questions to give their opinions on what they thought caused expatriates to return early and the reasons behind that.

Graph 5.8: An Illustration of Selection Methods to be Used



All respondents agreed that one should be chosen by a combination of: a manager, recommendation due to previous overseas assignment, personality characteristics, job-postings, and recommendations of HR.

5.4 DESCRIPTIVE RESULTS FOR THE ORGANISATION

5.4.1. Percentage and causes of failures

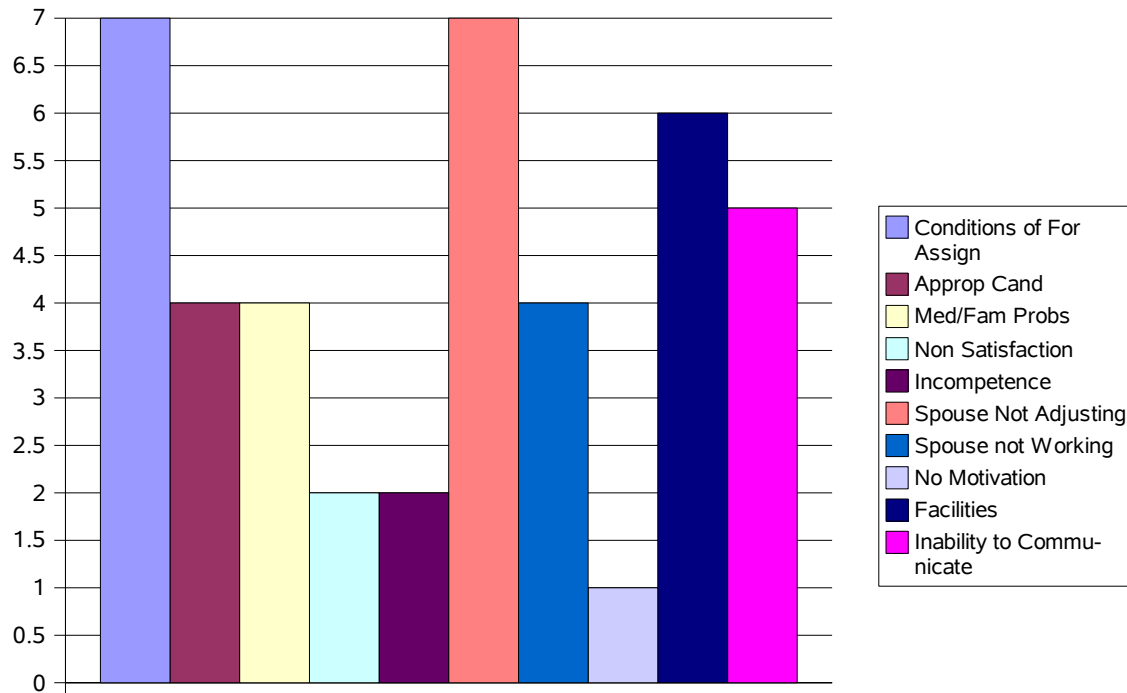
Defining failure overseas as premature returns or unproductive expatriates, six companies indicated that they had had no failures; eight companies indicated that they had a failure rate of between two and five percent, nine companies indicated that they had a failure rate of between ten

percent and twenty percent, and seven companies indicated that they had a failure rate of between 20 percent and 40 percent.

The major causes of failures identified by these companies are (the number in parentheses indicates the number of companies who provided this response):

- (1) “failure of the expatriate to adapt to the conditions of the foreign assignment” (seven companies);
- (2) “failure of the organisation to select and screen the appropriate candidate” (four companies);
- (3) “medical/family problems” (four companies);
- (4) “dissatisfaction of the client – expatriate not meeting their needs” (two companies)
- (5) “incompetence” (two companies);
- (6) “failure of the spouse to adapt to the conditions of the foreign assignment” (seven companies);
- (7) “failure of the spouse to find work” (four companies); and,
- (8) “lack of motivation/commitment” (one company);
- (9) “not being able to have drivers' licences immediately” (six companies);
- (10) “not being able to communicate with people in the host country” (five companies).

Graph 5.9: An Illustration of the Most Causes of Failure for the Organisation



As can be seen from the list, the conditions of the foreign assignment and the spouse's inability to adjust to conditions overseas stand out as the most common perceived causes of failure overseas. These are followed by not being able to move around in the new country due to lack of driving skills, no drivers licence, lack of facilities in general as well as not being able to communicate in the foreign language. Top management's view was that it was more often an inappropriate choice of candidate. Less than five percent of the candidates cited incompetence as the cause of assignment failure.

5.5 DESCRIPTIVE RESULTS FOR THE EXPATRIATES.

5.5.1 Willingness to return overseas

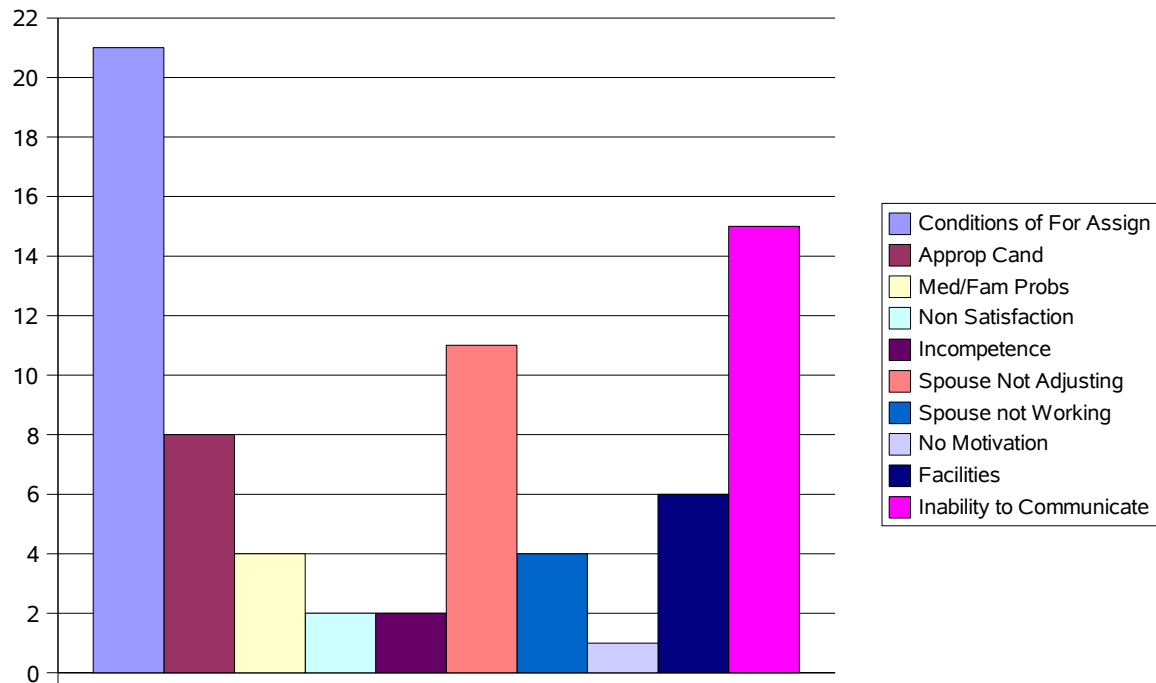
Expatriates were likely to return overseas, (mean of 2.8 on a scale of 1-5), but they were not willing to refer their friends. Most of them were not very happy with the assignments, but were willing to try it if things could be done differently.

5.5.2 Causes of failure

The major causes of failures identified by the expatriates are (the number in parentheses indicates the number of respondents who provided this response):

- (1) “failure of the expatriate to adapt to the conditions of the foreign assignment” (Twenty One);
- (2) “failure of the organisation to select and screen the appropriate candidate (Eight);
- (3) “medical/family problems” (Four);
- (4) “non satisfaction of the client – expatriate not meeting their needs” (Two)
- (5) “incompetence” (Two);
- (6) “failure of the spouse to adapt to the conditions of the foreign assignment” (Eleven);
- (7) “failure of the spouse to find work” (Four);
- (8) “lack of motivation/commitment” (One);
- (9) not being able to have drivers licences immediately (Six);
- (10) not being able to communicate with people in the host country (Fifteen).

Graph 5.10: An Illustration of the Most Causes of Failure for the Expatriates



The major causes of failure identified by the expatriates are: “failure of the expatriate and the spouse to adapt to the conditions of the foreign assignment”, followed by “not being able to communicate with people in the host country”, “failure of the spouse to adapt to the conditions of the foreign assignment”, and “failure of the organisation to select and screen the appropriate candidate”.

Many respondents also remarked that at work people become stressed. One cannot be five minutes late from lunch, people would look at you as though you were not taking your job seriously. The unwritten company rules, by which almost everybody leaves the office around 21h00, cause stress

to expatriates and has a negative impact on the family life.

5.6 SUMMARY

In this chapter measures of demographic variables and measures of outcomes overseas were described and analysed. Results indicated that less than half of the companies surveyed offered cross-cultural training to expatriates and spouses. Sixty-six percent of the expatriates had received no cross-cultural training. Expatriates found the culture of the host country to be somewhat different from other cultures and were not well adjusted to work and interacting with host country nationals.

The descriptive results on the causes of failure both from the organisation and the expatriates also confirm what has been stated in literature. The selection and screening of the proper candidate is seen as the major cause by some respondents.

The next chapter gives a summary of the study and recommendations on the problems experienced by expatriates.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

The objective of this study is to develop a model of expatriates' premature withdrawal decisions. In Chapter One the main problem, sub-problems, and the objectives of the research have been discussed, and key terms used in the research were explained. In Chapter Two the significance of the study to S.A. MNC's has been shown, together with factors that necessitate companies to have expatriates. In Chapter Three different theories on the causes of failure have been visited and analysed. In Chapter Four the planning and the process used in the empirical study was documented, together with the quantitative analysis of the demographic details of respondents. In Chapter Five measures of demographic variables and measures of outcomes overseas were described and analysed.

In this chapter, the manner in which the objective was achieved is described, and recommendations of how the results of the study can be applied are furnished.

6.1 RESEARCH METHOD

The main problem identified for resolution in this study was "What are the problems experienced by expatriates in international organisations and what can be done to resolve those problems." The motivation behind the study was that studies of expatriate failure have been conducted and yet many assignments still end in failure. The researcher wanted to find out if there could be reasons

other than those stated in literature that cause premature returns. The broad method adopted to achieve the objective of the study is described below.

The study was approached by establishing on the basis of literature review, the reasons why there is a need for South African companies to have expatriate managers. Theories that explain the extent and the causes of early return of expatriates have been visited. From those theories the researcher found that most of them state that 40 percent of assignees leave the host country prematurely. This is caused by a variety of factors including the selection process, pre-departure and on-site cultural training, language training, general living conditions, job satisfaction, interaction with host country nationals, having no contact with the home company up to repatriation.

Shaffer and Harrison's model of withdrawal cognitions was used as a basis for developing an integrated model that would have all the possible dimensions that cause expatriates to have premature withdrawal cognitions. This resulted in a model which consisted of five dimensions, namely, the family context, organisational commitment, cross-cultural adjustment, satisfaction and the big five personality characteristics. The new theoretical model was used as a basis for compiling a survey questionnaire to test the extent to which expatriates concurred with the integrated theoretical model.

The questionnaire was designed so that the responses to the questions could be statistically analysed. The results obtained from the survey concurred with the theoretical model, but also revealed that there were taken-for-granted issues that also caused expatriates to return home early.

These issues were used to adapt the theoretical model to bring it in line with the views of the majority of the respondents. Once that had been achieved, the outcome constituted an integrated model of expatriates' premature withdrawal decisions, which was the objective of the study.

6.2 RESULTS OF THE LITERATURE STUDY

The results of the literature study are discussed below, in terms of the steps that were followed.

6.2.1 Findings from literature on expatriate failure

The literature survey from secondary sources within the discipline of human resource management revealed that expatriates are needed for:

- *Management development.* In many companies, a foreign assignment is the way to develop among future top managers the capability to formulate global strategy. Middle managers get to learn about suppliers, customers, and competitors, acquire specific expertise, and learn how the company works.
- *Coordination and control.* Because the trend for international companies is to build widely dispersed production and marketing organizations and then integrate them tightly through better communication and transportation, foreign assignments serve as effective means to reassert headquarters' control over subsidiaries.
- *Information sharing and exchange.* The third strategic role of overseas assignments is particularly relevant for technology-driven companies. Expatriates provide the means to

transfer complex new ideas, processes, and technology to the subsidiary employees and also bring back to the parent company the knowledge and skills present in the subsidiary. It also gives the managers time to develop a rapport and trust at the host location to facilitate future information exchanges across geographical and organizational boundaries (Harzing, 2001 : 581).

Much as the companies may want to send their employees overseas to learn work practices in other countries or to impart the strategy of the parent company, companies cannot do that on an *ad hoc* basis. They have to know which strategy or staffing policy is suitable for which stage of internationalisation. This has been dealt with in chapter two.

Even though studies on strategies that companies can use have been done extensively, research still shows that a large number of overseas assignments end in failure. Failure is defined as the premature return to the home country, the inability to adjust in the host company or country or immediate departure from the company upon return from the assignment. It is for this reason that in chapter three the researcher decided to investigate the possible reasons that cause the expatriates to return home early.

6.2.2 Findings from literature on causes of expatriate failure in SA companies

To answer sub-problem two, namely, what problems have SA MNEs experienced and what solutions can they offer, Greengard (1999 : 106) writes that for years, the typical global company has provided classroom instruction, binders brimming with facts about a country, and bulletins as

thick as a James A. Michener novel - all providing tips on how to behave and avoid potential problems. Unfortunately, even under the best of circumstances, the information isn't up to date. And when the system fails, the results can be disastrous for both employee and company.

According to the European Business Review (2000:1) a survey of the expatriate programmes of 100 organisations revealed that as many as 63 percent of them report failed assignments. Cultural difficulties, either of the expatriate or his or her family, personal or family problems and selection of unsuitable candidates for posting were cited as the main reasons for expatriate failure.

Research into expatriate selection often fails to identify any systematic approach because decisions are often taken (or at least initiated) in the corridor or at a social gathering as the result of one manager, 'knowing' one person who could fill their one vacancy... such an approach is becoming increasingly untenable as financial demands increase, as potential expatriates become ever more demanding, and as other countries cease to be quite so welcoming to a continuous stream of foreigners in crucial positions (Brewster et al, 2003 : 189).

The other problem facing South African companies is that the selection of expatriates has generally been focused on the more 'visible' aspects of this issue, such as the criteria used in such decisions. Researchers have found that in practice technical expertise and domestic track-record are by far the two most common selection criteria. Factors such as language skills and international adaptability come further down the list, though there is some evidence that these have more importance. Decisions are taken by line managers – who often simply ignore the criteria. Training and development programmes for expatriates are, surprisingly, more apparent by

their absence than their presence. Visible by no pre-appointment visits and no briefings by returned expatriates (Brewster et al, 2003 : 199).

6.3 THE DEVELOPMENT OF A THEORETICAL MODEL OF ASSIGNMENT WITHDRAWAL DECISIONS

The model of expatriate withdrawal cognitions developed by Shaffer and Harrison was chosen because it had most of the factors highlighted in literature review that cause expatriates to leave the assignment prematurely.

On analysing the model, the researcher gathered that withdrawal cognitions mentioned resulted from factors external to the person. Other researchers believe that expatriate failure could be due to the fact that the expatriate does not have the personality to thrive in a foreign environment. Caligiuri states that without having the personality characteristics, namely, being an extrovert, agreeable, emotionally stable, conscientious and having intellect, one will not be able to form relationships with host country nationals at work and outside of work, one will not be able to explore and understand the culture and general living conditions at the foreign country, and that could have a negative impact on job performance. The personality factor dimension was incorporated in Shaffer and Harrison's model. This new model was used as a basis to design a questionnaire to be given to expatriates. A pilot study was done among colleagues to determine the time it would take for the respondents to answer the questions as well as to check the clarity of the questions. The theoretical model was tested in the empirical survey which is described next.

6.4 SCOPE OF THE EMPIRICAL STUDY AND RESULTS

In order to resolve the third sub-problem identified in chapter one, namely, which guidelines can be followed to ensure that the interests of both the company and the expatriate are protected, and that international assignments are handled properly, a survey was conducted among expatriates to test whether there was concurrence with expatriate cognitions outlined in the theoretical model. The questionnaire was drawn up using the theoretical model as the basis for the questions. Chapter four explains how the questionnaires were administered and their contents. The questionnaires were sent to HR practitioners to give to expatriates. The HR practitioners would also benefit from the study as they would adapt their expatriation policies to include what respondents felt could cause them to stay in the host country for the assigned period. The questionnaire was designed using the Likert-type scale so that the responses could be statistically analysed.

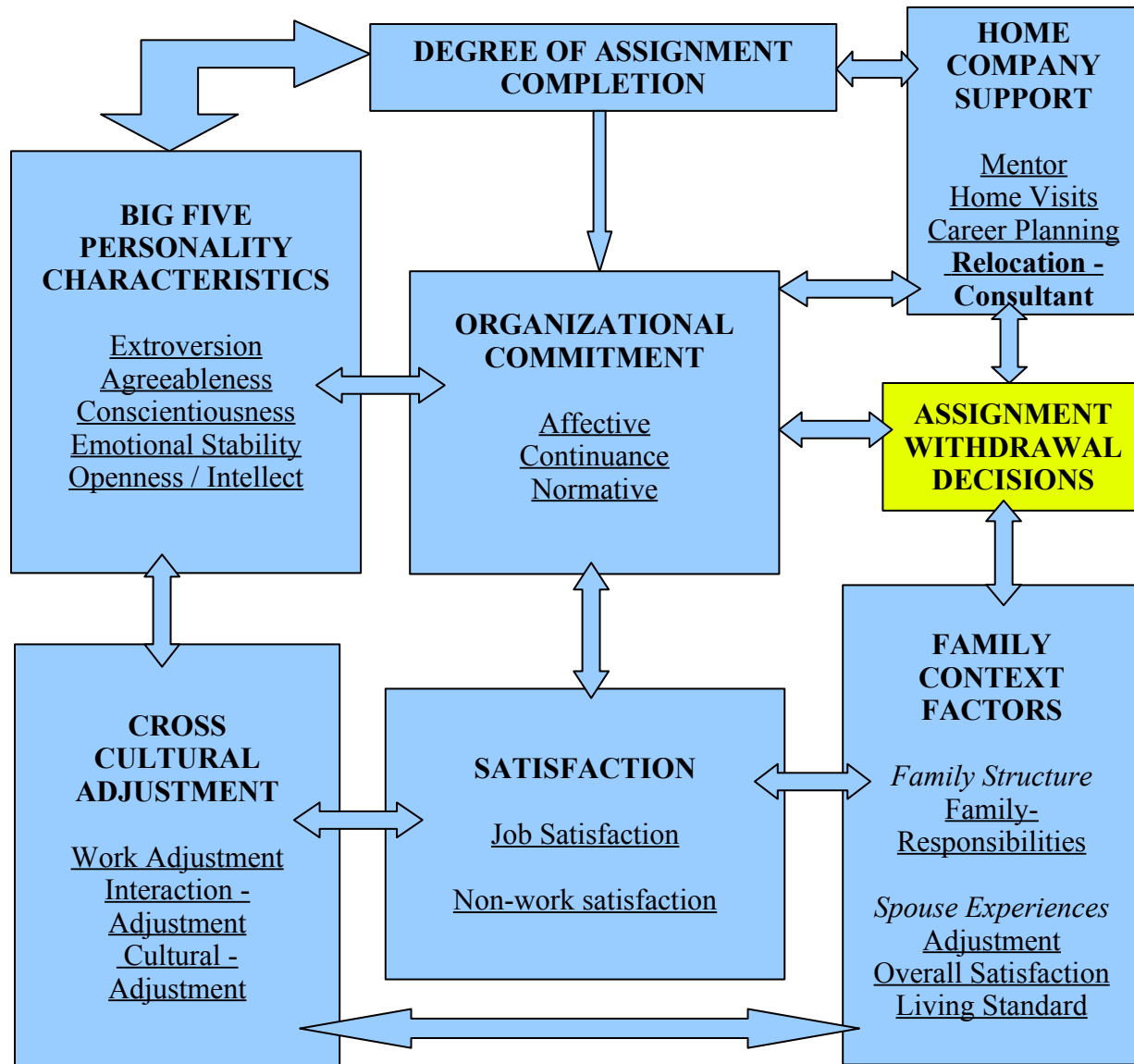
In chapter five the data obtained was subjected to both a quantitative and a qualitative analysis, along with an analysis of whether people in different management positions responded differently to the questionnaire. In the qualitative analysis a coefficient of skewness was used to determine the extent of concurrence with the model. There was positive skewness on all questions which indicates a general trend of agreement throughout with the theoretical model of expatriate withdrawal cognitions.

The questionnaire made provision for respondents to suggest additional factors that contribute to early withdrawal from the host country, that the respondents felt were omitted. These responses

were subjected to a qualitative analysis which revealed that absence of a relocation consultant made it difficult for expatriates to familiarise themselves with the host country. This caused frustration and made other expatriates victims of crime. Taken-for-granted issues like ease of finding schools, churches, and drivers' licences, caused frustration amongst other respondents. The second aspect was the fact that the expatriates felt disconnected from their home companies, and the host companies viewed them as not belonging to them. Most managers did not want to take responsibility for their appraisals. Some felt the assignment was a company's way of getting rid of them. The third aspect was that the expatriates felt they were neglecting their family responsibilities. Because they had to save company costs they couldn't make long distance calls and could not visit their families for a long while. This made them feel lonely and homesick and impacted negatively on their jobs and personal life.

The ensuing model in which all the original expatriate withdrawal decisions were retained and the three additional factors were added, constituted the integrated model of expatriate withdrawal decisions in multinational corporations, which was the objective of the study. This means that the objective of the study was met, sub-problems were resolved and the study completed. The integrated model for expatriate withdrawal decisions is portrayed in figure 3.

Figure 4: A PROPOSED INTEGRATED MODEL OF EXPATRIATES PREMATURE WITHDRAWAL DECISIONS.



Source: Adapted from Shaffer and Harrison's Model (1998: 92)

These were the major conclusions reached in the study. These conclusions have created opportunities for recommending how the results of this study can be applied. Furthermore, certain recommendations can also be made to overcome some of the possible limitations of the study, should the study be repeated.

6.5 RECOMMENDATIONS

The results of this study have identified certain factors that need particular attention. These factors are additions to the current solutions and could help curb the premature return of expatriates. These factors are discussed in the following paragraphs.

6.5.1 Proper Planning of the Relocation

Lack of cultural training is found be the most compelling cause for the expatriate's early return. From the survey it has been seen that more than 60 percent of companies do not offer cultural training, hence the reason for uninformed decisions by both the expatriate and the HR managers. People go to the host country thinking that English is an international language only to find that the locals prefer speaking their local language. Expatriates need to have basic language training; that should not be left to the expatriate, but should be the responsibility of the company.

People need to understand the unwritten company rules. For example, one respondent noted that in their company people would perceive you as not taking your work seriously if you left the office before 19h00. This later had a negative impact to the expatriate's family life as the spouse felt

neglected. Even the expatriate felt he was neglecting his family.

Expatriates need to understand the general rules of courtesy in the host country. In some countries it is rude to ask for assistance from someone you do not know. For example, even if you are two Rands short you cannot ask someone else to help you. In some countries you cannot invade other peoples' space, therefore if one has an outgoing personality one may be frustrated. The family as a whole needs to understand the dominant modes of transport. If they were used to travelling in a car, they should now become used to travelling in buses or trains. If expatriates can have this information beforehand then they can make informed decisions regarding being able to finish the assignment and the companies will not lose as much money as they are losing currently.

6.5.2 Providing Support to the Expatriate and the Family

The company needs to make it its duty to ensure that expatriates succeed in the task allocated to them. In doing this they should also look at the family needs to ensure that nothing hampers the expatriates' well being.

Daniels et al (2000 : 22) also support this notion and say that dual-career couples recommend that the MNEs should:

- provide employment opportunities for the trailing spouse or assist him/her to find a position in the foreign country;
- Assist the couple to obtain work permits and other government requirements to work in a foreign country;

- Provide adequate social support (informational, instrumental, emotional, and appraisal) to facilitate in the adjustment in the foreign country as well as during repatriation.

6.5.3 Appointing a mentor from the home company

Gomez-Mejia et al (2001 : 569) say to prevent expatriates from feeling isolated and disconnected, the home office should stay in regular touch with them. Maintaining contact can be accomplished in a number of ways. A popular method is a buddy system, in which a manager or mentor at the home office is appointed to keep in touch with the expatriate and to provide assistance wherever necessary. If contact is maintained between the two, on return the expatriate will not feel left out. The manager will be able to organise an office for the expatriate, as many of the repatriates reported that they do not fit into the company on their return.

The researcher is aware of the fact that mentors can change jobs and leave the expatriate without a mentor. However, the constant contact with the mentor will not leave the expatriate disillusioned as the HR manager will make provisions for another mentor.

6.5.4 Visits to the home company

Some of the expatriates reported that they felt they had neglected their family responsibilities as they had other responsibilities besides their immediate families.

Gomez-Mejia et al (2001 : 569) state that another approach has the expatriate employee coming back to the home office occasionally to foster a sense of belonging to the organisation and to reduce reentry shock. A third approach offers mini-sabbaticals in the home office at specified

intervals (for example, for two weeks every six months) to keep the expatriate tuned in to the current happenings and future plans at the corporate base. Firms need to pay for expatriate's family to return home with him or her during this time. That way the expatriates, especially ones that have extended family responsibilities, will get time to meet their families and not feel they have abandoned them.

6.5.5 Career Planning

Most expatriates take on the overseas assignments with the hope that on their return they will be on a higher job level than the one they had before the assignment. This in most cases does not become the case as companies mostly focus on getting skills from the overseas operation or implementing the strategy of the parent company. When they return, expatriates often discover that there is someone who has been in the role, that would be upward movement for them, and the company does not have plans to create something new for the expatriate. In most cases the expatriates feel they have reached the glass ceiling and they leave the company shortly after the assignment.

The real success must not be so much on sending expatriates overseas but on planning what their career path is going to be, both overseas and when they have returned.

6.5.6 Appointing a Relocation Consultant

Knowing the multitude of tasks that HR manager is involved in during the day-to-day operations of the business including, disciplinary procedures, payroll, company policies etcetera, one envisages that it may be difficult for him or her to give full support to the expatriate. The

researcher therefore suggests that companies should outsource this function to relocation consultants who also have HR expertise, especially if this function is not the company's core business.

The company should appoint a relocation consultant who is going to take the expatriate and family around so that they can be familiar with the city they are sent to and its surrounding areas. The consultant should focus on areas that the expatriate is going to be focusing on when doing business as well as to help the family with identifying how to find churches, health services, shopping complexes, places of entertainment, and best methods of transportation. These are the taken-for-granted factors but the expatriates interviewed felt they cause frustration and contributed highly to withdrawal decisions. The consultant should also have information regarding where to find other South Africans and so forth.

The consulting company should organise basic language training before leaving and ensure that there is someone on site to carry on the training. A consultant should also interface with the parent company to ensure that things like company visits, remuneration and career planning are looked at. Most importantly, the consulting company should constantly ensure that the expatriate will be properly repatriated into the home company.

6.6 LIMITATIONS OF THE STUDY

All the above factors that are recommended require the company to spend time, resources and money in a single assignment. If there is more than one person assigned, the costs increase. This

can be costly to the company, but one needs to weigh the costs against the benefits that the company will reap from being globally oriented. If companies can include these factors in their expatriation policies there will be less expatriate failures and less expatriate turnover.

6.7 CONCLUSION

The model proposed in the study aims to encompass all the possible factors, which contribute to expatriate' decisions to leave assignments prematurely. Organisations assigning employees overseas need to ensure that they have visited all the dimensions mentioned in the model in a way that is going to be of benefit to the expatriate and the organisation. The benefits obtained from applying this model will help organisations plan and manage the assignments effectively.

Having seen from research that failure rate in women is lower than that of married men, the researcher hopes that organisations will eradicate the myths about assigning women. By doing this the international experience and knowledge that women will gather overseas may facilitate not only their upward organizational mobility, but also their support of other women who are developing an interest in international postings. This gives one a chance to research further if the proposed additional facets will help in curbing expatriate failure.

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APPENDIX 1

Letter to the organisation

Dear Sir/Madam

Every year a number of South Africans are assigned to conduct business overseas. The cost of an expatriate overseas is considered to be two to three times the individual's basic salary. A hasty return or an unproductive expatriate is very costly for companies.

As an MBA student at Nelson Mandela Metropolitan University, I am writing a research paper on problems experienced by South African expatriates, which lead to early returns. I am seeking the participation of international companies from all provinces. This research is very important as it will shed some light on the factors that make the expatriates leave the host country early, thereby reducing the costs associated with expatriate failures. In these days of global competition, multinational companies can certainly benefit from such information. Your participation in this study is greatly appreciated.

My research will involve your participation at two levels. First, you will find enclosed a Questionnaire to the Organization that I would ask you to complete, The second level involves expatriates, I will ask you to distribute questionnaires to expatriates who are currently posted overseas, those who have been overseas and have been in the host country for three years. The expatriates and their spouses will be assured of complete anonymity, as their respective questionnaires do not ask for their names. An addressed return envelope will be provided with each questionnaire. You will find enclosed a sample of the Questionnaire to the Expatriate for your perusal.

The information provided by your company, your employees and their spouses will be confidential. No individual or company names will be mentioned in my study.

I will contact you shortly to verify if you agree to participate in my research. Meanwhile, should you need further information on my research, please feel free to contact me.

Thank you

Pamella Faas MBA candidate

APPENDIX 2

QUESTIONNAIRE TO THE ORGANISATION

1. In which industry is your organisation?
2. How many expatriates are currently assigned outside South Africa for your company?
.....
3. In what year did your company start sending expatriates on overseas assignments?
.....
4. To which countries does your company send expatriates?
.....
.....
5. Assuming that failure overseas is represented by early returns or unproductive expatriates, what percentage of total assignments overseas would your company regard as failures?
.....%
6. What would you say were the major causes of these failures?
.....
.....
7. Does your company offer cross-cultural training (meant to prepare people to live and work in a culture other than their own to expatriates before their departure on overseas assignment?
Yes.....
No.....
8. Does your company offer any cross-cultural training once they are settled abroad?
Yes.....
No.....

If you answered “no” to questions 8 and 9, please indicate below why your company chooses not to offer cross-cultural training to expatriates, and proceed to question 11.

.....

.....

.....

.....

9. Does your company offer cross-cultural training to every expatriate, regardless of his or her position? Tick the correct one.

Yes.....

No, cross-cultural training offered to expatriates varies according to the position held:

- Top executives (responsible for the overall management of the foreign operation).....
- Division Heads (responsible for establishing functional departments in a foreign affiliate)...
- Middle Managers (responsible for overseeing day-to-day operations overseas).....
- Technical Specialists (responsible for analysing and solving specific operational problems overseas).....

10. Does your company offer cross-cultural training to every country of assignment?

Yes.....

No, cross-cultural training is provided only when expatriates are posted to the following continents:

USA	EUROPE	ASIA	AUSTRALIA	AFRICA
.....

11. Does your company offer any cross-cultural training to spouses accompanying expatriates

before their departure on overseas assignment/

Yes.....

No.....

12. Does your company offer any cross-cultural training to spouses accompanying expatriates once they are settled abroad?

Yes.....

No.....

If you answered “no” to questions 11 and 12, please indicate why your company chooses not to offer cross-cultural training to spouses, and ignore questions that follow.

13. Does your company offer cross- cultural training to every spouse, regardless of the expatriate’s position? Tick the correct one.

Yes.....

No, cross-cultural training offered to spouses varies according to the position of the expatriate:

Spouses of Top Executives receive training.....

Spouses of Division Heads receive training.....

Spouses of Middle Managers receive training.....

Spouses of Technical Specialists receive training.....

14. Does your company offer cross-cultural training to spouses for every country of assignment?

Yes.....

No, cross-cultural training is provided only when spouses accompany expatriates in the following countries

USA

EUROPE

ASIA

AUSTRALIA

AFRICA

.....

Please return your completed survey in the self-addressed envelope to:

Pamella Faas

PO Box 5012

Halfway House

1685

Thank you very much for your participation

APPENDIX 3

Letter to the expatriate

Dear Sir/Madam

Every year a number of South Africans are assigned to conduct business overseas. The cost of an expatriate overseas is considered to be two to three times the individual's basic salary. A hasty return or an unproductive expatriate is very costly for companies. Studies on expatriate failure have been conducted, but still expatriates leave their assignments early.

As an MBA student at Nelson Mandela Metropolitan University, I am writing a research paper on problems experienced by South African expatriates, which still make the expatriates to return early. I am seeking the participation of international companies from all provinces. This research is very important as it will shed some light on the factors that make the expatriates leave the host country early, thereby reducing the costs both to the company and the expatriate associated with expatriate failures. Your participation in this study will be greatly appreciated.

The attached/enclosed questionnaire will take approximately 20 minutes to complete. It would be appreciated if you could return these in the enclosed envelope no later than August 24, 2004.

To assure you of complete anonymity, you will note that the questionnaire does not ask for your name or the name of your employer. The information that you will be providing will be very confidential.

Thank you in advance for your corporation

Sincerely,

Pam Faas, MBA candidate

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APPENDIX 4

QUESTIONNAIRE TO THE EXPATRIATE

SECTION 1

The following questions are strictly for comparison and statistical purposes. Your responses will remain anonymous.

1. What is/was your country of assignment?
2. What is/was your position in the organisation?.....
 - Top executives (responsible for the overall management of the foreign operation).....
 - Division Heads (responsible for establishing functional departments in a foreign affiliate)....
 - Middle Managers (responsible for overseeing day-to-day operations overseas).....
 - Technical Specialists (responsible for analysing and solving specific operational problems overseas).....
 - Other (specify).....
3. How long have you been working / worked in this position?year(s) months.
4. How long have you been working / worked in this organisation? year(s)months.
5. How long have you been / were you on this overseas assignment?.....year(s) months.
6. What will be / was the total duration of the assignment? year(s) months.
7. What is your:
 - a) Age:years.
 - b) Gender: Male Female
 - c) Level of education: Tertiary Qualification..... No tertiary qualification
 - d) Nationality: Province.....
 - e) Country of origin: Year of immigration to RSA
 - f) Marital status: Married / Living with a partner.....
Single / Divorced / Widowed.....

8. If you have a spouse, is / did he or she accompany you on the assignment?

Yes.....

No.....

9. Have you or your spouse ever lived in the host country before the assignment?

YOU: Yes..... For how long? Months.

No.....

SPOUSE: Yes..... For how long? Months.

No.....

10. Have you or your spouse ever lived in a country with a similar culture before the assignment?

YOU: Yes..... Name of country: For how long? months.

Name of country: For how long? Months.

Name of country: For how long? Months.

No.....

SPOUSE: Yes..... Name of country: For how long? months.

Name of country: For how long? Months.

Name of country: For how long? Months.

No.....

11. Have you or your spouse had any other international experience (other than the country(ies) mentioned above?

YOU: Yes..... Name of country: For how long? months.

Name of country: For how long? Months.

Name of country: For how long? Months.

No.....

SPOUSE: Yes..... Name of country: For how long? months.

Name of country: For how long? Months.

Name of country: For how long? Months.

No.....

12. If you answered “yes” to any of the above questions, how would you rate the experience(s)?

Country: Very Negative 1 2 3 4 5 Very Positive

Country: Very Negative 1 2 3 4 5 Very Positive

Country: Very Negative 1 2 3 4 5 Very Positive

13. Had you ever visited this host country before this assignment?

Yes..... For how long? Weeks.

Nature of the visit: vacation business other

No.....

14. Spouses level of education: Graduate Undergraduate

15. Did your spouse work whilst overseas? Yes No

SECTION 2

1. Have you received any cross-cultural training (meant to prepare people to live and work in a culture other than their own) for this assignment before you left RSA (either through your organisation or by your own initiative)?

Yes.....

No.....

2. Have you received any cross-cultural training for this assignment since you arrived in the host country (either through your organisation or by your own initiative)?

Yes.....

No.....

If you answered “no” to both questions 1 and 2, please go to question 4.

3. For each cross-cultural training method or approach listed below, please indicate the amount of time you were involved in cross-cultural training .

Refer to the following scale when making your selection.

0	1	2	3	4	5
None	Less than 1 day	1 day	2 days	3-7 days	more than 7 days

TRAINING METHODS / APPROACHES	Time (circle, referring to above scale)
Information: Trainees attend lectures or conferences, or read books and handouts on such topics as the economy, climate, lifestyle or the values of the host country.	0 1 2 3 4 5
Audiovisuals: Trainees watch documentaries, movies or videos on the host country.	0 1 2 3 4 5
Basic Language training: Trainees attend an introductory language course. Conversation is not included.	0 1 2 3 4 5
Role modelling, demonstrations: Trainees observe individuals acting out scenarios typical to the host country and how these situations should be handled.	0 1 2 3 4 5
Culture assimilator: Trainees are presented with a series of conflict interactions typical to the host country and are asked to choose the interpretation that best fits each specific episode.	0 1 2 3 4 5
Culture awareness: Trainees study behaviours and values that are common in their own country in order to better understand the concept of” culture”.	0 1 2 3 4 5
Self awareness: Trainees participate in on- on-one interactions in a group in order to better understand their own behaviours and how these behaviours affect others.	0 1 2 3 4 5
Intensive language training: Trainees are actively involved in reading, writing and speaking the language of the host country.	0 1 2 3 4 5
Encounters: Trainees meet and spend time discussing with host nationals or former expatriates.	0 1 2 3 4 5
Field experience: Trainees are sent to the host country, or to a similar setting, so that they may experience the cultural differences first hand.	0 1 2 3 4 5
Other: (please describe)	0 1 2 3 4 5

4. Please indicate how similar or different from RSA the following statements about your current host country are. Refer to the following scale when writing your selection.

Very different 1 2 3 4 5 Very Similar

----- Everyday customs that must be followed.

----- General living conditions.

----- Using health facilities.

----- Transportation system used in the country.

----- General living costs.

----- Available quality and types of food.

----- General housing conditions.

SECTION 3

Please rate yourself on the personality characteristics that follow. Refer to the following scale when writing your selection. The scale is from 1-5, 1 need to improve, and 5 excellent.

Need to improve 1 2 3 4 5 Excellent

1. Ability to effectively communicate with a stranger or others.

2. Ability to deal with not so popular ideas with courtesy and tact.

3. Ability to complete tasks with a great sense of commitment.

4. Ability to cope in stressful situations.

5. Ability to be non-judgemental in evaluating host nationals.

SECTION 4

1. Please indicate how adjusted you are / were to the following. Please note that the scale is from (1-5). Unadjusted 1 2 3 4 5 Adjusted

Please rate your adjustment to:

- living conditions in general in the host country?
- housing conditions in the host country?
- food in the host country?
- shopping in the host country?
- cost of living in the host country?
- The entertainment in the host country?
- The health care facilities in the host country?
- Socializing with host nationals?
- Socializing with host nationals outside of work?
- Your specific job responsibilities?
- Your performance standards and expectations/
- Your supervisory responsibilities?

2. Do you interact mostly with other South Africans, Host country nationals or Both?

.....

SECTION 5

1. Below are a number of statements concerning your feelings about this assignment. Refer to

the following scale when writing your selection beside each statement. Please note the scale is from 1- 4.

Strongly disagree 1 2 3 4 Strongly Agree

Working as an expatriate:

..... makes / made it or made it hard to spend time with my family.

..... gets to me / got to me more than it should.

..... Leaves / left little time for other activities.

..... Means / meant too much work and too little time to do it in.

..... Makes / made me feel guilty to take time off from the job.

2. All in all, how satisfied are you / were you with the assignment? Please circle the correct one.

- 1 Very satisfied
- 2 Somewhat satisfied
- 3 Not too satisfied
- 4 Not at all satisfied.

3. In general, how well would you say that your assignment measures/d up to the sort of assignment you wanted when you took it. Please circle your selection.

- 1 Very much like the assignment you wanted.
- 2 Somewhat like the assignment you wanted.

- 3 Not very much like the assignment you wanted.

4. Knowing what you know now, if you had to decide to take the assignment again, what would you decide? Please circle.

- 1 Decide without hesitation to take the same assignment
2 Have some second thoughts
3 Decide definitely not to take the same assignment

5. If a good friend of yours told you he or she was interested in an assignment like yours, what would you tell him or her? Please circle.

- 1 Would strongly recommend it.
2 Would have doubts about recommending it.
3 Would advise a friend against it.

SECTION 6

1. For an assignment to be successful how should one be identified? Please circle your choice(s) and below give reason(s) for your answer.

- 1 By a manager
2 Due to previous overseas assignment
3 Personality characteristics
4 Job postings

5 Recommendation from HR

Reason(s):

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2. What in your opinion are the causes of expatriate failure? Please give reason(s) for your answer.

Reason(s):

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APPENDIX 5

EXPATRIATES RESULTS SPREADSHEET

<i>ATTRIBUTES</i>	<i>TOTAL</i>	<i>MEAN</i>	<i>SD</i>	<i>MIN</i>	<i>MAX</i>
Accompaniment Overseas	84	1.14	1.06	1	5
Position of the Expatriate	206	2.78	1.66	1	5
Home Country Cultural Training	131	1.77	1.32	1	5
Onsite Cultural Training	142	1.92	1.38	1	5
Culture Novelty	141	1.91	1.37	1	5
Personality Characteristics	234.6	3.17	1.77	1	5
Expatriate Adjustment	219	2.96	1.71	1	5
Spouse Adjustment	148	2	1.4	1	5
Satisfaction	151	2.04	1.42	1	5
Feelings about the Assignment	208	2.81	1.67	1	4
Selection	148	2	1.4	1	5
Causes of Failure	370	5	2.22	1	10