Expatriate Management within a context of Best Practice in the Africa division of a Multinational Bank

By Sisa Ntshona

A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

November 2007

ABSTRACT

Organisations are increasingly seeking business opportunities in foreign countries. As a result of this trend, human resource professionals in international firms are faced with the pressing issues of selection, preparation, communication whilst offshore and repatriation while still managing the careers of international employees. Both domestic and international human resource literatures are reviewed with the intent of identifying the "best practices" for expatriates. This study presents the results of research which ascertains the importance of these four aspects in contributing to the success of expatriate assignments. Using a single case study approach, the international human resource practices of Barclays Africa (BA) are examined. Data from questionnaires, focused interviews and existing documents were used to compare the research questions to the practices of Barclays Africa. As hypothesized, all "best practice" variables were found to apply in Barclays Africa, albeit in differing degrees. The implication of these findings for Barclays Africa and for South African Multinational Corporations (MNC) in general are discussed. The implications for international human resource literature and for practical use are also explored. The results confirm the importance of selection, preparation, management and repatriation in contributing to the success of expatriate assignments. Future research suggestions are provided.

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University.

Sisa Ntshona
November 2007

ACKNOWLEDGEMENTS

I would like to thank my wife, Nonkululeko for her love, encouragement and faith in me during the last 2 years. I hope I have lived up to her expectations. This research is dedicated to her and our 2 children, Oyama and Aphiwe.

I would also like to thank my fellow class mates and lecturers of the MBA 2005/6 for their support, humour and open discussions during the last 2 years – I am hopeful the friendships formed will continue into the future.

A sincere thank you to my supervisor, Mr Terence Taylor for being patient when the research topic was changed and also for being frank and honest in his supervision and opinion – thank you Sir.

Table of Contents

1. Introduction

The internationalisation of business has resulted in the increasing use of expatriates by organisations to fulfil a variety of functions in their offshore operations. The effective management of such personnel has been the focus of considerable attention in the International Human Resource Management (IHRM) literature. Numerous researchers (Suutari and Brewster, 2000; Riusala and Suutari, 2000; Wright, Geroy and Baker, 1996) highlight the importance of selection, preparation, management while offshore and repatriation in contributing to the success of expatriate assignments.

Globalisation is thrusting expatriation and repatriation practices of multinationals into the spotlight. Expatriate Management (EM) is an enormous and costly challenge for international firms. According to O'Sullivan, Appelbaum and Abikhzer (2002), research indicates that ten to forty five per cent of United States expatriates return prematurely, which creates direct and indirect costs for the firm. Direct costs include costs for training, salary, relocation and location of the assignment (Medenhall and Oddou, 1991). Less directly measurable, but nonetheless significant, costs include loss of market share, difficulties with host government officials and low expatriate moral (Zeira and Banai, 1984).

To achieve competitive advantage in an increasingly global economy, organisations from both the private and public sector need to view the management of expatriates as a critical part of their international human resource management strategy. The costs of employing an expatriate is estimated at three to four times as much as employing the same individual at home. This has implications for who is picked for international assignments, why people are sent and how this fits into the organisation's overall global strategy.

Taking an expatriate assignment no longer automatically leads to a promotion on return. Individuals now need to network and be proactive in determining their

own path forward. The advantages of huge financial packages are also slowly disappearing as organisations move towards equalising terms and conditions between expatriates and locals. In future, fewer and fewer people will be career 'expats'.

A prominent concern in the international recruitment and selection literature is that of expatriate failure (Adler 1981, Mendenhall & Oddou 1991, Feldman & Tompson 1993, Harvey 1993, Riusala and Suutari 2000). This expatriate failure becomes an international crisis for the MNC. Several studies have identified the reasons behind the failure. For instance, premature return of expatriates and the lack of cross-cultural adjustment by expatriates, their spouse or family are some identified features (Black & Gregersen 1991, Black 1991, Shaffer et al. 1999, Riusala 2000) as well as poor performance (Fieldman & Thomas 1992, Stening 1994, Feldman & Tompson 1993, Hodgetts 1993, Naumann 1993, Clark, Grant & Heijltjes 2000) that can arise during an international assignment. Indeed, research conducted by Black and Gregersen (1997) indicates that 10 to 20 per cent of United States (U.S.) expatriates sent overseas return prematurely due to dissatisfaction with their job or the impact of culture shock.

The prematurely returned expatriate may suffer from discouragement and loss of prestige among peers, which may also adversely impact his/her performance at home as well (Medenhall and Oddou, 1991). Ultimately, these outcomes may also deter other employees from willingly accepting international assignments. For all the above reasons, premature expatriate returns should be avoided if at all possible.

For years, researchers have been calling for improvements in (or mere establishment of) expatriate management interventions (O'Sullivan et al, 2002). This has been driven by the realisation that premature returns are often due to factors that are not present in domestic relocations: namely, culture shock and the emotional stress that typically accompanies it (Gregersen and Black, 1992). Accordingly, an array of interventions have been suggested, for example,

international relocations require that the expatriate be properly trained not just in the technical aspect of their jobs, but also in the cultural environment in which they will be working. Yet despite repeated calls from theorists to implement such "best practices", many organisations are slow to respond (Tung, 1981).

ORC Worldwide, a HR Management specialist company since 1953 conducted research in 2004 into global talent management and discovered what seems to be a 'disconnect' between the talent management programmes established for 'top talent' and the career management of expatriate employees.

It found companies need to introduce more effective selection, career management and repatriation plans so that they do not lose the resources that they have invested so much in, nor the knowledge that the expatriates have gained whilst working abroad.

The relationship between foreign assignment and career development is still rather unclear (Riusala and Suutari, 2000). In their review, the authors comment that overseas assignment is a haphazard, ill-planned affair and that the relationship between expatriation and career development is not clear. Tung (1998) has stated that little is known about the effect of international assignments on the career advancements of expatriates and calls for further research to establish career outcomes of international assignments.

With regards to repatriation, the central role of the expatriate's expectations has been stressed (Welch, 1998 and Black, 1991). Welch states that companies need to devote more attention to helping managers develop realistic expectations about their work and non-work lives before repatriation.

With respect to South Africa (RSA) or indeed Africa, the researcher found virtually no literature on expatriate management. However, there exists few research papers done for fulfilling various masters and honours degrees. One such research was conducted by Hawley (2003) titled "Expatriate Management in Africa – no room for complacency". In the research, Hawley (2003) states that

the expatriate in Africa faces culture shock, new value systems, social readjustment, adjustment to the host country's *modus operandi,* problems related to communication differences, inferior levels of training, the interpretation of unfamiliar body language and, eventually, repatriation.

The author further adds that not only does the expatriate have to contend with the usual manager-worker syndrome, he/she also has to adapt to the expatriate-local situation. There are often hostilities involved here as the local perceives the expatriate to have deprived him/her of a job. From an Africa perspective, it will be a very interesting observation especially in the context of Barclays Africa, a British owned multinational bank operating in Africa through Barclays Africa.

Since there is minimal research conducted on expatriate management in South Africa, can American, European and Japanese research be applied to South African expatriate management practice? International research suggests failure rates of 14% for American and 5% for Japanese and European expatriate managers.

Tung (1982) reports the results of a survey of expatriate management in samples of U.S., European, and Japanese multinationals. While there were some similarities in expatriate management policies and practices across the three groupings, the author found that expatriate failure was higher in U.S. Multi National Corporations (MNC) than for the other two samples. The author also concluded that, in general, Japanese and European MNCs gave more attention than their American counterparts to training and supporting the expatriate while on the foreign assignment. In *The New Expatriates: Managing Human Resources Abroad* (1988), Tung took American multinationals to task for not developing internationally focused expatriates as well as their Japanese and European counterparts.

Research conducted by another South African, Muller (2004) also to fulfil the requirements of a Master's degree in a report titled "South African Expatriate

Managers are Global gems" The two main findings of the author's research suggest that:

- the failure rate for SA expatriate managers is 1,8%, which is three to eight times lower than the failure rates suggested for American, European and Japanese expatriate managers; and

- that RSA Business Inc's expatriate management policies and procedures are above or on par with global best practice, except on the issues of structured training programmes and repatriation upon completion of the overseas assignment.

Family considerations are key in the successful expatriate cycle (Riusala and Suutari, 2000), it has been stressed that the expatriate family should always be a primary concern. Today, an extensive proportion of marriages are dual career partnerships with both partners employed and psychologically committed to work or employed in upwardly mobile jobs. In a study conducted among US Multinational Companies (MNCs), the management of dual career couples on international assignments was seen to be in the top five of most important human resources challenges for a decade ahead (Harvey, 1998). This remains to be seen if this is the case at Barclays Africa.

A survey of potential expatriate managers indicated that 67% of those responding felt that their spouses' reluctance to give up their own career was a major constraint on their international location (Riusala and Suutari, 2000). In the Nordic countries it is even more common for both partners to have their own working careers.

Within the field of human resources management, there are several activities that, while practiced widely, are not seen to be performed well. The costing and evaluation of training programmes, for example, are two such activities (Wright *et al* 1996). Similarly, training needs analysis have attracted considerable attention. In fact, two major literature reviews have been published to help both academics and practitioners to better understand this complex phenomenon.

This paper has been developed in the proposition that expatriate management, although a widespread activity, is often performed poorly. Also, even though the literature is voluminous, few attempts have been made to synthesize the many concepts into a usable format. The scholarly approach, while superbly written, requires many hours to study and to absorb. In this paper, the researcher will distil the literature and present a series of figures, tables and models aimed at the practitioner, available in a pragmatic format.

Therefore, the objectives of this research are as follows: first, to provide a brief overview of the international human resources literature's recommended "best practices" and second, to gain an understanding of the extent to which Barclays Africa does, or does not, attempt to manage their expatriates in accordance with these practices. Hopefully, it will contain detailed information that will allow Barclays Africa practitioners to address critical expatriate management issues in a practical manner namely selection, preparation, management whilst offshore and repatriation. These will be analysed from results of a structured questionnaire with expatriate staff members of Barclays Africa as well as key local HR staff.

1.1 About Barclays Africa

Barclays Africa is the leading bank in Africa, with businesses in 11 countries across Africa and the Indian Ocean, including Botswana, Egypt, Ghana, Kenya, Mauritius, Seychelles, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

Barclays Africa is a division of Barclays PLC, its regional head office is in Johannesburg, South Africa. As of August 2006, it has a total staff complement of 7500 employees of which 48 are employed as expatriates, serving a customer base of 1.5 million accounts.

BARCLAYS

Expanding presence on the
African continent
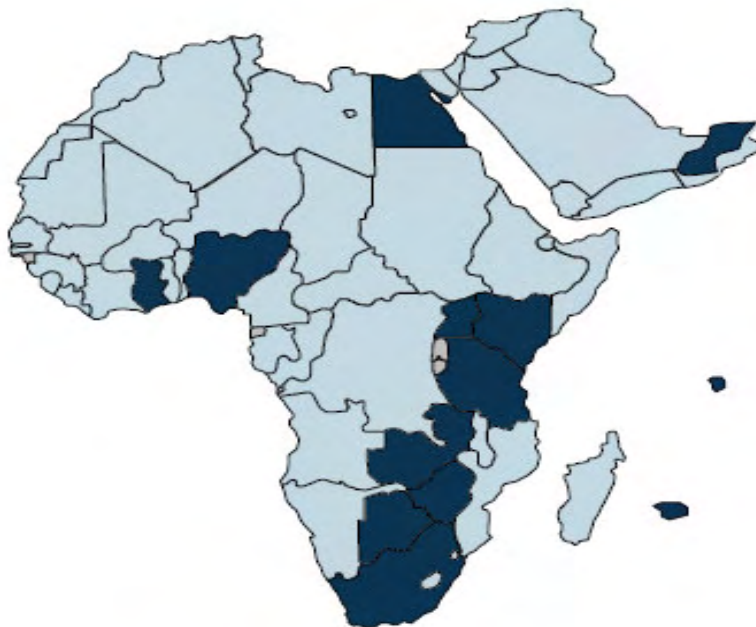
Full banking presence, except
for Nigeria which is currently a
Representative Office

Barclays Africa is the biggest bank in sub-Saharan Africa, in terms of business flow. Barclays does business in approximately 18 selected countries where they currently do not have a physical presence. Barclays is a senior lender into the Emerging Africa Infrastructure Fund which is available for investments in infrastructure projects in Africa.

Barclays Africa has won the following accolades:

- African Bank of the Year 2005 according to Euromoney
- "Best Bank" in Kenya, Egypt in 2004
- "Best Debt House" in South Africa in 2004
- "Best Bank" in Zambia, Mauritius and Kenya in 2003
- "Best Bank" in Botswana, Kenya and Uganda in 2002

2. Literature Review

This chapter reviews the international human resources literature in the areas of selection, preparation, management while offshore and repatriation. The objective of this review is to summarise the set of "best practices" for managing expatriates that have been identified by researchers. Research questions are then presented in the following chapters to explore the extent to which and reasons why Barclays Africa adheres to these practices.

The need to develop global managers has been widely recognised in literature (Holopainen and Bjorkman, 2005; Riusala, 2000 and Suutari, 1999). For example, 85 per cent of the Fortune 500 firms surveyed do not think that they have an adequate number of global leaders (Gregersen et all, 1998). International assignment is seen as one of the major tools and a powerful strategy for developing global leaders. In line with this, Derr (1993) states that expatriation is the top strategy for internationalising a young manager. The foreign assignment is also a good management tool as the assignment is generally a higher position than the previous domestic one and this makes the assignment an important learning opportunity for the expatriate.

As organisations become globalised, there is an increasing challenge to use expatriates on international assignments to complete strategically critical tasks (Gregersen & Black 1992, Brewster 1998, Downes & Thomas 1999). Multinational corporations (MNCs) use expatriates, not only for corporate control and expertise reasons in vital global markets, but also to facilitate entry into new markets or to develop international management competencies (Bird & Dunbar 1991, Boyacigiller 1991, Rosenzweig 1994, Shaffer, Harrison & Gilley 1999, Forster 2000).

While it is recognised that Human Resource Management (HRM) problems are more complex in the international environment, there is also increased evidence to suggest that the management of international human resources is increasingly being acknowledged as a major determinant of success or failure in international

business (Tung 1984, Dowling 1999, Hiltrop 1999). For renowned and established MNCs, failure to be able to communicate and coordinate their activities in international business has the potential to plunge them into a crisis. The crises confronting MNCs includes failed assignments due to premature return of expatriates and the loss of their returned expatriates due to poor repatriation. These crises, due to poor expatriate management, can therefore threaten the organisation's performance and capabilities in the international arena.

Expatriates may be losing their security blanket, but the challenges and potential long-term rewards of taking an international assignment are growing. Most global organisations see international experience as a prerequisite for promotion to the top jobs. Although this experience can be gained from working in cross-border teams and projects, expatriation remains the preferred way of creating a global mindset amongst managers. However, there is a need for new skills and abilities amongst expatriates, and for far more careful planning and monitoring of assignments by organisational headquarters.

2.1 Schools of thought

The literature on expatriate management tends to take one of two perspectives. First, much literature focuses on the individual expatriate's adjustment to working and living conditions abroad. Scholars have mapped such adjustment conceptually (e.g. Black *et al* 1991; Naumann, 1993) and have examined it empirically (e.g., Bjorkman and Schapp, 1994; Black and Porter, 1991). The research generally concludes that adjustment is related to such variables as expatriate background (e.g., overseas experience, pre-transfer preparation), job (e.g., job nature, role perceptions) and personal factors such as family/partner adjustment (Black and Gregersen, 1991; Black and Mendenhall, 1991).

Representative studies that focus on the individual expatriate include the following: practical steps to succeed as an expatriate (e.g., Mendenhall & Oddou, 1988; Tu & Sullivan, 1994); repatriation (Napier & Peterson, 1991; Harvey,

1989); turnover (Birdseye & Hill, 1995); loyalty (Banai & Reisel, 1993); career-management issues (Feldman & Thomas, 1992); and success (Black & Porter, 1991; Boyacigiller, 1990).

A second research stream has examined the types of international Human Resource Management (HRM) practices used by multinational firms in general (Tung, 1981, 1988; Ondrack, 1985) and in particular affiliates (e.g., Derr and Oddou, 1993). Such work addresses practices comprising of staffing, performance appraisal, training, compensation, and career management in MNCs (e.g., Harvey, 1989; Tung, 1981, 1982, 1984). Specific topics include selection criteria, cross-cultural training, expatriate pay practices, and the use of expatriates' knowledge upon return (Black and Gregersen, 1991).

This research falls closer to this second research stream.

More general studies of multinational policies and procedures include: overall practice (Black, Gregersen, & Mendenhall, 1992; Brewster et al., 1992; Kirkbride, 1994; Peterson, Napier, & Shim, 1996; Peterson, Sargent, Napier, & Shim, 1996; Rosenzweig & Nohria, 1994; Tung, 1987); ethnocentricity (Mayrhofer & Brewster, 1996); strategic HR (Luthans et al 1997; Stroh & Caligiuri, 1998); and managing inpatriates – incorporation of foreign nationals into Corporate Headquarters (Harvey & Buckley,1997).

Anderson (2001) advocates that consideration of four key aspects contribute to the success of international assignments. These aspects are:
1. selection,
2. preparation,
3. management (active support) and
4. repatriation.

Wright and Baker (2002) suggest the use of a systems approach to support these four key aspects of managing expatriates. The model is illustrated in Figure 1 and shows the overall expatriate management system.

Figure 1 provides a macro view of an expatriate management system with six interdependent subsystems. Potentially, changes in any one subsystem affects other subsystems, as well as the overall system. The model identifies each of the subsystems' primary inputs, management processes and outputs. Outputs from one subsystem become inputs for succeeding subsystems. Failure to provide adequate inputs, or to address important management issues in any of the subsystems, may contribute to poor employee performance.
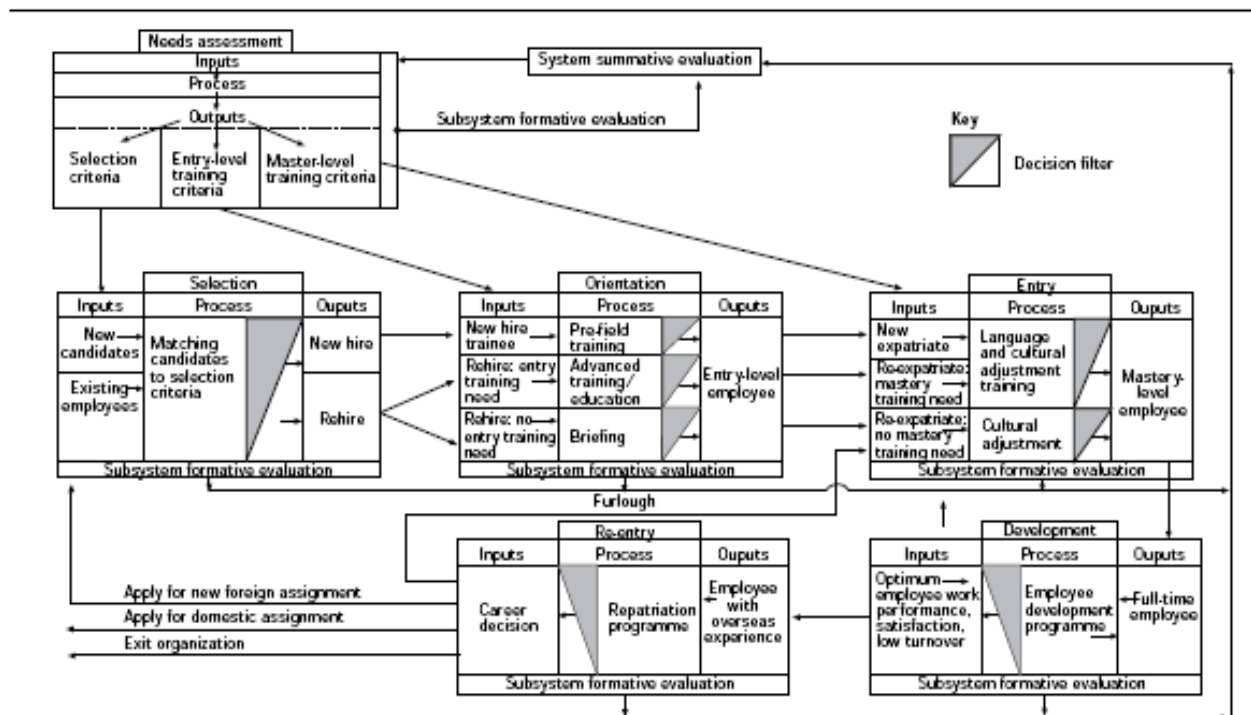
Figure 1 – The Expatriate Management Systems Model

2.2 The expatriate cycle

For organisations to ensure effective expatriate management, a strategic approach should be taken to the whole expatriate cycle.

Figure 2 The expatriate cycle

The cycle starts at the **planning** stage. Traditionally, expatriates have been sent abroad for the following reasons:

- control and co-ordination of operations
- transfer of skills and knowledge
- managerial development

In order to operate strategically, organisations need to link foreign assignments more closely to the strategic operational requirements.   This requires a careful assessment of whether an expatriate is the best and most cost-effective choice in global sourcing decisions.

2.3 SELECTION

In the area of selection, Sullivan and Tu (1993) indicate that the three major factors to be considered when choosing an individual for an overseas assignment are:

- technical and decision-making skills,
- personal characteristics and
- the family situation.

However, Tung (1984) reports that US personnel administrators base the selection decision primarily on technical competence, with insufficient emphasis on the potential expatriate's relational skills and family situation.

The importance of the selection of appropriate personnel is widely recognised. Diekhoff *et al* (1991) observe that problems associated with the transition from home environment and culture to a foreign culture have been the cause of considerable attention in the literature of selection and effectiveness. Preceding selection is the needs assessment phase which will inform the selection criteria.

2.3.1 Needs Assessment

Needs assessment is the first stage in the management system. Data from foreign environments is gathered and processed to create relevant information that is needed to make decisions in ensuing stages. The primary outputs are selection criteria (i.e. standards by which to measure the qualifications of candidates for employment), entry level training criteria (pre-field training to prepare employees for entry into foreign environments) and mastery-level training criteria.

The main purpose of a needs assessment is to provide information about selection and training in a foreign environment. Thus, the needs assessment is useful to the home office in determining who should be hired, the type and level

of training required to prepare employees to enter a particular foreign environment, and the type and level of training needed for cultural adjustment in the new country. Aptitude includes such physical attributes as age, sex and health. Psychological characteristics are personal traits (innate characteristics that are not significantly remediable by training), which enable expatriates to adapt to new environments and to perform their work (Hanning, 1990).

The needs assessment also identifies the organisation's norms, values, intrinsic and extrinsic rewards and formal and informal rules. This information, when shared with applicants during the selection process, allows them to make informed choices about accepting or rejecting overseas positions. A job analysis that is used to assess skill and knowledge criteria includes a general job description, a task inventory of job components and a task analysis of specific skills and knowledge required to perform the job (Geroy, 1989). Task analysis can be divided into procedural, systems and subject matter components, while subject matter can be further subdivided into abstract, technical and basic skills, which includes entry and mastery-level language proficiency. The purpose of an environmental assessment is to provide information about the country and its institutions, to be used during fact-oriented, pre-field training. Similarly, information regarding cultural beliefs, values, attitudes and behaviour are inputs into more affect-oriented types of training, e.g. culture assimilator exercises, role-playing and interactive approaches (Brislin et al, 1983).

An internal environment assessment should also be made in the overseas organisation to identify issues that are important to the development of an organisation's mission: goals, strategies, structure, leadership, employees, technology and control systems.

2.3.2 The Selection Process

Once a strategic decision has been made to use an expatriate in an international posting, the selection process starts. Research into criteria of effective international managers consistently highlights the importance of 'soft' skills such as self-awareness, flexibility, intercultural empathy, interpersonal skills and emotional stability. However, surveys of international selection practice within organisations show that most rely on technical competence as a prime determinant of eligibility for international assignments.   ORC's 1997 survey of International Assignment Practice also shows that only 8% of international organisations use any form of psychological testing during the selection process.

The function of the selection process is to compare characteristics with criteria in the needs assessment. Applications are screened (along with spouses and families) to predict their adaptability to expatriate life and work. The candidate is also screened to determine whether he or she has the right skills and knowledge to do the job. Tung (1981), Klaus (1985) and Medich (1995) have stressed the importance of carefully screening spouses and families, as their failure to adjust to foreign cultures has been ranked as a leading cause of expatriate failure. Also, aptitude screening is especially critical to the selection process, because physical and psychological traits are not usually affected significantly by training.

Screening procedures, should therefore include a wide range of criteria, including interpersonal abilities and psychological testing (Medenhall et al (1987). Motivational assessment involves matching the candidate, spouse and family with motivation information from the needs assessment. Questions should focus on whether or not the candidate and spouse agree with the norms and values of the organisation (both at home and overseas), whether extrinsic and intrinsic rewards are motivators for them, and whether formal and informal rules are acceptable. More specifically, an assessment of the candidate's job-related skill and knowledge determines whether he or she has the right experience,

education, or training background to perform the work. Areas of deficiency should be identified in candidates who meet the general requirements. These deficiencies can be addressed in pre-field training, or in later training programmes.

Information about the foreign country and the organisation should be made available to the candidate and the spouse, enabling them to self-assess their willingness to continue the selection process. Harris and Moran (1979), for example, have recommended using tools such as the culture assimilator, to obtain a more indepth view of candidate and spouse reactions to cultural variations.

Within the abundant research on expatriate managers, certain selection characteristics or traits have been identified as predictors of expatriate success. According to Ronen (1989), these include :-

- o technical ability,
- o managerial skills,
- o cultural empathy,
- o adaptability,
- o diplomacy,
- o language ability,
- o positive attitude,
- o emotional stability,
- o maturity and
- o adaptability of family.

One of the earliest reports was provided by Tung (1987), who examined expatriate selection practices across 80 U.S. MNCs, and subsequently, identified four general categories which may contribute to expatriate success. These are broadly described as

(1) technical competence on the job, (2) personality traits or relational abilities,

(3) environmental variables, and (4) family situation.

This is further supported by Ronen's (1989) model that incorporates the dimensions of expatriate success identified by Tung (1981). Ronen (1989), describes five categories of attributes of success:

(1) job factors, (2) relational dimensions, (3) motivational state

(4) family situation, and (5) language skills.

The five categories and their specific aspects are outlined in Table 1.

Table 1 Categories of Attributes of Expatriate Success				
Job Factors	**Relational Dimensions**	**Motivational State**	**Family Situation**	**Language Skills**
Technical skills	Tolerance for ambiguity	Belief in the mission	Willingness of spouse to live abroad	Host country language
Familiarity with host country and headquarters operations	Behavioural flexibility	Congruence with career path	Adaptive and supportive spouse	Non verbal communication
Managerial skills	Non-judgementalism	Interest in overseas experience	Stable marriage	
Administrative competence	Cultural empathy and low ethnocentrism	Interest in specific host country culture		
	Interpersonal skills	Willingness to acquire new patterns of behavior and attitudes		

Source: Ronen, S. 1989, Training the International Assignee. Training and Career Development (1st ed), San Francisco: Goldstein.

Ronen (1989) identified these five selection attributes (Table 1) as contributing to greater expatriate success in international assignments as compared to the customary selection of expatriates based solely on technical abilities.

2.3.3 Compensation

In the *WorldatWork Journal* for the second quarter 2006, ORC Executive Vice President Geoffrey Latta examined how economic, political, and social forces might affect the supply and demand for expatriate talent in international organisations and how companies might be expected to adjust HR policies in response. Compensation practices, in particular, will likely be in flux. While companies continue to seek ways to decrease the cost of expatriate assignments, supply issues may frustrate their attempts at frugality. For one thing, workers are becoming less willing to accept assignments that will prejudice their spouses' careers or otherwise disrupt the family. Political instability in some parts of the world can also be expected to drive up the incentives required to attract expatriates to those locations.

International employers are experimenting with a number of tactics for dealing with these challenges, such as scheduling international assignments earlier or later in the career cycle, shortening assignments, or using longer business trips in place of them. Global companies are also attempting to expand the reservoir of talent by relying less on expatriates from headquarters and drawing more from locations around the world. At the end of the day however, corporates are still likely to confront a tighter supply of internationally mobile employees.

As a result, we can expect that employers will attempt to make international assignments more attractive by tailoring compensation packages to the needs of individual employees and assignments. "The most probable development is in the direction of greater multiplicity of pay approaches within any organisation," Latta (2002) predicts. The author continues "While the desire for greater simplicity in pay systems is a constant theme, the future is likely to see quite the opposite."

Robin Pascoe (2005) believes that the biggest challenge for managers is going to be the "fallout" in many forms from the work-life balance being skewed. This will be the inability to pay the rising costs of stress/disability leaves which are going to come about because everyone is carrying on working 24/7, with

Blackberries in tow, generally waiting for a health crisis to stop them from working too much.

2.4 PREPARATION

To prepare for relocation, Shilling (1993) indicates that organisations should have clear relocation policies, pre-departure orientation and on-site cultural adaptation training. A number of researchers, including Enderwick and Hodgson (1993), have highlighted deficiencies in the preparatory activities undertaken by organisations for their expatriate personnel and families prior to departure. Indeed, Davidson and Kinzel (1995) observe that family-oriented support does not appear to be a priority for many companies. The authors also report that assisting expatriates' spouses to gain employment or offering employment within the company seems to be of little concern to the companies sampled.

2.4.1 Pre-departure Training

Once an employee has been selected, pre-departure training becomes the next critical step in attempting to ensure the expatriate's effectiveness and success abroad (Mendenhall et al. 1987). Career counseling for the spouse is becoming necessary due to the dual career dilemma becoming more important, especially with the increase of women in the workforce (Collins 1996). Given the difficulties of re-entry, expatriates and their families need help to readjust back into their home country. The two most important issues are (1) career planning and (2) 'reverse culture shock' (Hammer, Hart & Rogan 1998). To assist the expatriate and family to readapt to work and life in general and to help overcome reverse culture shock, re-entry training such as counseling workshops and career development consultations prove useful in the adjustment process (Sievers 1998).

Cross-cultural adjustment has been defined as "the degree of psychological comfort with various aspects of a host country" (Black & Gregersen 1991: 680). For expatriates unfamiliar with the customs, cultures and work habits of the local people, pre-departure training may be critical to their effectiveness and success in their overseas assignments (Mendenhall et al. 1987, Black 1992, Weech 2001). It is also important to include the family in these training programs. Extensive studies indicate that training is beneficial in reducing expatriates' perceived need to adjust (Deshpande & Viswesvaran 1991, Latta 1999).

A survey conducted by Windham International and the National Foreign Trade Council (1999), revealed that a large number of international assignments are turned down or interrupted because of spouse and family issues. The survey's respondents cited family adjustment (65%), spousal resistance (53%) and spouse's career (45%) as the most critical roadblocks to acceptance and success of international assignments. Substantial research (Harvey 1985, Black & Gregersen 199l, Bonache & Brewster 2001) specifies that if the expatriate's spouse and/or family members are having trouble adjusting abroad, the expatriate will also in turn, have problems, including poor job performance, which could result in an early return from the overseas assignment.

Mendenhall et al. (1987) distinguish between three types of training, namely, (1) information giving approaches, which have a relatively low level of rigour; (2) affective approaches which address people's feelings as well as 'facts'; and (3) immersion approaches which are in-depth methods covering a broad range of topics and methods. These training programs are designed to improve relational skills which are crucial to effective performance in expatriate job assignments. Figure 3 illustrates the types of cross cultural training programs in ascending order of rigour.

Training is described as the process of altering employee behaviour and attitudes to increase the probability of goal attainment (Hodgetts 1993). As depicted in Figure 1, the provision of a more comprehensive (high rigour) cross culture training will increase the social support that the expatriate and family need (i.e.,

in country support). This intensive training can provide the encouragement and motivation to seek the social network and activities that will make the new stressors more bearable. For the expatriate, training can reduce many of the uncertainties associated with the new role.

Figure 3
Pre-departure Training
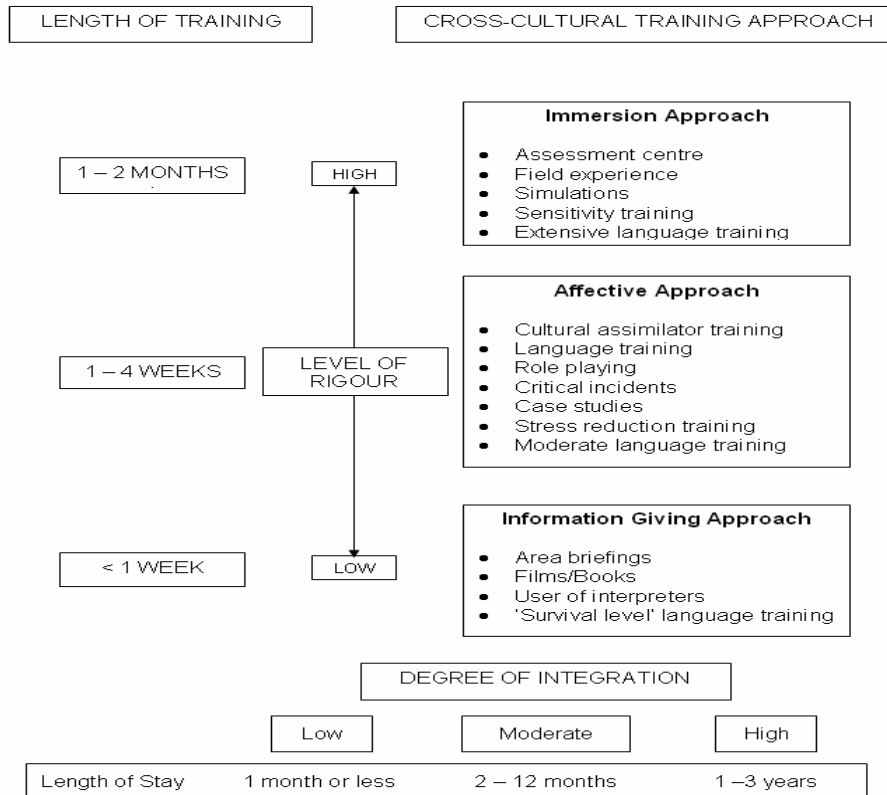
Source: Mendenhall, Dunbar & Oddou, 1987: p340.

2.4.2 Cross Cultural Training

Expatriates entering a foreign country are guided towards language and intercultural communication proficiency by mastery-level training criteria. There are two main types of candidate considered for overseas positions: those new to the organisation and current employees willing to consider foreign assignments. The selection process is used to determine which applicants are most suited for position requirements identified by the needs assessment. Those candidates who do match selection criteria may later be eliminated by a decision filter.

Newly-hired and re-hired employees are usually handled differently in pre-field orientation. Newly-hired employees with no overseas experience, for example, who are destined to live in a culture which is very different from home, and are to assume a position requiring frequent contact with host country nationals, would require rigorous pre-field preparation. A newly-hired employee with previous overseas experience probably would require less pre-field training. Conversely, a re-hired employee seeking a new assignment may not need extensive prefield language and cultural orientation, but rather advanced technical training or education, especially if the position entails a promotion.

Some re-hired individuals may not require pre-field training beyond a briefing on the new assignment. The decision filter component of the orientation process allows management to screen out marginal trainees, or the trainees may choose to drop out of the system themselves. Outputs of the pre-field orientation subsystem are employees with an enhanced repertoire to manage cultural adjustment and culture shock in foreign environments. Entry is defined as the period of time required to master cultural adjustment and language proficiency (Geroy et al, 1996). Experts have agreed that an adequate amount of time should be provided for new expatriates to adjust sufficiently to the host culture and to attain enough language proficiency to function effectively, before assuming full work responsibilities (Copeland & Griggs, 1985). Depending on the situation, entry training may take a few weeks or several months. Re-expatriates who are already familiar with a country's language and culture may need only to make a psychological adjustment. Those who are unable to adjust to new environments may choose to terminate early, or be terminated by the organisation.

The purpose of pre-field orientation is to ensure that employees and their families are adequately prepared to face the difficulties of adjusting to a new culture, and also to determine if employees meet skill and knowledge entry criteria. Pre-field orientation, therefore, should be considered as an extension of the selection

process. As training progresses, trainees who have serious reservations about living abroad can withdraw, rather than wait until they are overseas to realise their mistake.

Skill and knowledge training in pre-field orientation is used to address deficiencies that might be best remediated at home rather than overseas. It is especially advisable, for example, for employees to gain exposure to a foreign language. People entering new countries with at least a basic command of the language, are likely to adjust more easily. Prefield orientation is also a time to explore future career objectives, so that they may be harmonized with the organisation's long-term goals. Employees then can be groomed to fill future vacancies (Medenhall et al, 1987).

2.4.2.1   Culture shock

Many expatriates experience 'culture shock'. They are unable to interpret cues from a new and uncertain environment. They are faced with the seemingly inexplicable behaviour of those around them, which is governed by a culture that they do not understand. Their lack of comprehensive mental models for understanding the local culture inhibits their awareness of what is appropriate, or inappropriate, behaviour. Expatriates discover that their past behaviours do not work in the new culture, but they have not yet learned more appropriate substitute behaviours. This is a source of immense frustration, which causes high levels of confusion and anxiety. The confusion that they experience is often exacerbated when they do not speak the local language. Culture shock is caused by multiple stresses – intellectual, emotional and physiological – that place individuals under severe pressure. These stresses impair the ability of expatriates to function.

Culture shock is alleviated as expatriates become accustomed to their new surroundings, learning to 'fit in'. There is a period of reduced productivity while expatriates adjust. While expatriates take between four and twelve months to feel comfortable in a new culture, some take even longer and while about five percent

never adapt to the new culture. Such individuals experience their postings in an ongoing state of culture shock, constantly trying to adjust. Consequently, their productivity is permanently impaired.

Diverse organisations can reduce the impact of culture shock on their expatriates by selecting expatriates who share a similar cultural background to that of the host country. This will contribute to the host culture holding fewer surprises as expatriates have existing mental models to understand their surroundings. Consequently the level of uncertainty will be reduced. The expatriates will be able to relate to others with ease, in culturally appropriate ways and in the local language. They will already be comfortable with the cultural norms of their host country coworkers. The adjustment process would be relatively fast and smooth. Diverse organisations have superior capabilities for coping with differences compared to homogeneous organisations. Managers who work in diverse organisations become comfortable with difference. Such managers are accustomed to working with people from many cultural backgrounds and with many different world views. Diverse organisations foster managers with valuable cross-cultural skills, which reduces the amount of time it takes expatriate managers to adjust to overseas assignments. They experience reduced culture shock followed by speedier recovery. Reducing culture shock and enhancing expatriate adjustment benefits the organisation's bottom line by boosting productivity.

A number of researchers have made recommendations about the format of crosscultural training programmes for use in prefield orientation. Grove and Torbiorn (2001), for example, suggest beginning with a combination of fact-oriented, attribution training (e.g. culture assimilator exercises, cultural awareness training), and cognitive/behaviour modification. Furthermore, the authors maintain that experiential and interactional approaches were best postponed until after entry. Gudykunst *et al* (1977) have recommended that training should develop an intercultural perspective by focusing on interactive learning and specific adjustment skills.

Similarly, Wiseman *et al* (1989) have stated that training should address problems such as stereotyping, ethnocentrism and social distance, as culture shock is a critical issue which must be addressed during the pre-field orientation. Employees and families, then, should be educated about the dynamics of culture shock and trained in techniques for dealing with the related stresses.

Finally, employees going to an area for the first time should be briefed thoroughly about foreign organisations. They should be informed about strategic goals, as well as the people, structure, technology and controls needed to implement goals. They should also be knowledgeable about policies and business procedures.

2.5 MANAGEMENT OR ACTIVE SUPPORT WHILST OFFSHORE

Chowanec and Newstrom (1991) indicate that the third issue, management or active support, is the natural continuation of the training process. Shilling (1993) records that some transnational companies have a mentor program with assigned mentors located at headquarters. These mentors are to maintain regular contact with expatriates, allowing them to stay informed of changes and events occurring at headquarters. Chowanec and Newstrom (1991) also note that the family needs a support program tailor-made for its specific circumstances.

2.5.1 10 TIPS FOR EXPATRIATE MANAGEMENT

Barton and Brishko (1998) in their research article on Global Mobility to the HR Focus Review, devised 10 tips for expatriates. See full text in APPENDIX A.

1. FIND MENTORS.
2. USE TECHNOLOGY.
3. DEVELOP IN-COUNTRY PARTNER RELATIONSHIPS
4. ENCOURAGE SPOUSE EMPLOYMENT
5. GIVE ATTENTION TO CHILDREN AND SPOUSES
6. PROVIDE CAREER COUNSELING
7. FIND ASSIMILATION MENTORS
8. EXAMINE ALL THE INSTRUCTIONAL MATERIALS-POLICIES.
9. LOOK AT THE "SETTLING IN" ALLOWANCE—ON BOTH ENDS ASSIGNMENT
10. UTILIZE THE POWER OF THE ORGANISATION

2.5.2 The Impact of the Expatriate 's Spouse and Family

The influence of the family/spouse is a primary reason for costly premature returns (Tung, 1987; Black and Stephens, 1989). It is known from research (Riusaia, 2000; Tung, 1984 and Medenhall et al, 1989) that the spousal issue is still the key barrier to accepting assignments and more likely to lead to assignment failure than any other issue. Changing demographics in the workforce, coupled with an increasing desire amongst younger employees to have more work life balance, has meant that employees are now more likely to challenge situations that they are not comfortable with. According to a top leading expatriate website (www.xpat.com) this is also a reaction in some way against all the pervasive 24-hour culture in which expatriate employees live in. Technology increasingly impacts their lives both at work, out of the office hours and while on vacation. It further adds that employers will need to look not only at the assignment package they offer but also to take into account the needs of the family and the work-life balance policies that they provide.

Another view from Robin Pasoce, an expatriate expert and international author who is working on her latest book "Raising Global Nomads: Parenting abroad in an on-demand World" (2003) noted at a HRM seminar held in Seoul in 2005, is that unless the working partner starts addressing the family issue and taking personal responsibility, he/she has the ability to derail the family.

This is in contradiction to the popular adage that it is usually the wife that has the ability to derail the international assignment. Pascoe (2003) further adds that if the husband/wife ignores this issue and continues to ignore the family because of work, he will lose them. The author further adds that expatriates are not indispensable, the company will replace them in five minutes but you can never replace your family.

2.5.3 Dual Careers

According to recent findings (Riusala, 2000; Harvey, 1998), spouses' reluctance to give up their own career is a growing reason for rejecting foreign assignments. This phenomenon is called the dual career perspective (Suutari et al, 1999). A growing number of international transfers combined with an increasing percentage of dual-career couples in the work place (Stephen and Black, 1991) has made organisations realise that they must address dual career issues in order to increase the success of their international assignments.

Due to such challenges, there is a critical need for corporate programmes to address the issue at dual-career couples on international assignments. Currently, these issues are left to the couple to resolve with no help from the company. Reynold and Bennet (1991) have identified several new solutions in use among some US multinationals. These programmes include elements related to the spouse's work, such as assistance in finding a job for the spouse in the host country. The company can either arrange a job within the organisations operating in the host country or cover the spouse's costs related to trying to find a job in the host country.

If employment of the spouse is not an option, companies can help the spouse to find education opportunities and cover related costs. If the spouse stays in the home country, coverage of travel and communication costs between the expatriate and his/her family is needed. In some cases compensation for the lost salary of the spouse is sometimes a viable option. In general, it is important that the spouse feels that he/she can get counselling on all aspects related to the expatriate experience (Riusala and Suutari, 2000).

2.5.4 Diversity Management: Communication with host nationals

Expatriates who speak the national language of the host country have an advantage over those who lack this capability. The assumption that, as the *lingua franca,* English proficiency is sufficient for international business is false. Much of

a nation's culture is contained within its language. Organisations that wish to excel in foreign linguistic environments have much to gain from selecting multilingual expatriates, including:

- Access to overseas social networks;
- Understanding of foreign negotiating styles;
- Knowledge of how to conduct market research; and
- An ability to quickly contact suppliers, distributors and buyers by telephone/email/fax in their preferred language.

Diversity management enhances the ability of business to build interpersonal overseas networks. While personal connections play an important role in business all over the world, they are ubiquitous in Chinese business, both within and outside China. The establishment of strong interpersonal relationships and effective communications is critical in maintaining the necessary trust between business partners to facilitate ongoing exchange. Expatriate managers of the same cultural background as host country nationals have special capabilities for establishing personal overseas networks. Such expatriates share many similar personal characteristics with locals. Consistent and reliable interactions within these networks promote trust within the business relationship. Local language proficiency is crucial for establishing local networks. Personal relations are difficult to establish when individuals do not share a common language. Personal connections can be particularly valuable for securing access to scarce resources, such as government licenses, permits, special loans and credit facilities, subsidies, discounted organisations and contracts. Well-connected expatriates may have access to informal information about potential sources of income that may not be publicly available. Organisations that employ such expatriates have an advantage over organisations lacking cross-cultural capabilities.

2.5.5 Entry and Development Stages

There is no clear-cut boundary between the entry and the development stages. Both occur on site in foreign environments. The focus of management processes, however, is quite different for the two stages. The primary management issues addressed during the entry period are language acquisition training and cultural adjustment, while the development stage evolves from a training intensive focus to maintaining high work performance and then continued professional growth. It is during the development stage that an organisation begins to experience a pay-off from investments in previous stages, as the employee begins to function effectively.

It should be noted that the development stage may last for many years, while all of the previous stages combined are normally completed within months. The goal for managing expatriates through the development stage should be continuous professional development to prevent stagnation, to optimize work performance, to increase job satisfaction and to lower turnover rates. As with all previous stages, a decision filter screens out employees who do not perform adequately, or who may choose to leave the organisation. Once an assignment is completed, and the employee returns to his or her home country (re-entry), management decides whether or not to offer further employment, while the employee, if given the choice, decides whether or not to continue with the organisation.

In cases where employees return home for furlough, or seek another foreign position, they may recycle through the system. Otherwise, repatriates may choose to seek a domestic assignment, or to exit the organisation. Evaluation is an essential component of an expatriate management system. Each of the subsystems should be subjected to ongoing evaluations to measure their effectiveness, including cost-effectiveness. The results of these subsystem evaluations become inputs into ongoing evaluation of the entire expatriate management system.

During the entry stage, the emphasis should be to assist employees and their families to adjust to new environments as quickly as possible. Again, coping with culture shock is the most critical issue, as maintaining morale is especially difficult while expatriates are dealing with this phenomenon. It is important, therefore, to establish language learning and cultural adjustment goals for expatriates and families, along with periodic evaluation and feedback procedures (Copeland, 1985). A reliable communication link should be established (e-mail is essential) to keep the overseas employee informed about developments at home (Harris *et al*, (1979).

Management also may encourage the expatriate and family to join a support group, or find a mentor to assist in cultural adjustment and language learning (Copeland, 1985). In some cases, individuals suffering severe culture shock may need special counseling. Mastery level training in skill and knowledge involves learning to use the expatriate's expertise in a culturally-acceptable manner. Consequently, in many countries, an expatriate must spend a lengthy period of time mastering the language in order to be successful in his or her assignment.

Thus, cross-cultural training after entry must have a high degree of continuity with pre-field training. Entry training should include a review and continuation of pre-field training, while gradually introducing experiential and interactive training approaches. These methods may range from daily visits with nationals while learning language, to an immersion approach in which the expatriate moves into the home of a national. It is important to note that the most important variable in successful cultural adjustment is interaction with nationals (Church, 1982).

During the development stage, the focus of managing expatriates shifts from an emphasis on intensive mastery-level training to maintaining continued professional growth. While there is usually no welldefined boundary between entry and development stages, some experts recommend reaching a pre-established mastery level of language and cultural adjustment before assuming full-time job responsibilities (Harris et al, 1979 and Wright et al, 1994). The length

of time required depends on many factors, including individual personality and the toughness of the adjustment to a particular culture.

Expatriates should be encouraged then, to achieve a high level of cultural assimilation into the foreign culture, as success in the overall assignment often depends more on the cultivation of relationships than on technical proficiency. Expatriates should therefore establish culture assimilation goals and be evaluated periodically on their progress. Management should also ensure that expatriates' skill and knowledge expertise is kept up to date, both to improve performance in the present position as well as to upgrade expertise needed to achieve career path goals. Brief employee development programmes (on-site, or during furloughs) can help prevent stagnation. Also, performance evaluations should be scheduled at appropriate intervals (Wright et al, 1996).

To support these skill/knowledge upgrading/ maintenance systems, a synergistic approach to problem solving should be developed, so that contributions from both home-based employees and expatriates are valued (Ashton, 1991). Similarly, managers at home who are concerned about getting an accurate picture of the overseas situation, should use both top-down and bottom-up evaluations for expatriates (Wright et al, 1996).

2.6 REPATRIATION

With respect to repatriation, Clague and Krupp (1978) observe that although companies have paid a great deal of attention to the problems of expatriating employees, their repatriation has often been treated in a relatively cavalier manner, indicating that the unspoken assumption has frequently been "Well, they're coming home, aren't they?" and therefore they should have no difficulties in assimilating to that 'familiar environment'. However, Black (1991) reports that despite the fact that expatriate managers are coming back to what they consider 'home', more than 60 per cent experience significant 'reverse culture shock'. As a consequence, Harris (1989) recommends that cross-cultural training is provided for the repatriate, spouse and family on return. Coyle (1994) notes that although companies recognise that repatriation is a major issue in overseas relocation, in practice, it is largely put in the 'too hard' basket.

2.6.1 The Return of Expatriates

One of the hidden costs linked with expatriation is the inability to retain the expatriate upon return to the home country (Black & Gregersen 1997, Downes & Thomas 1999). Several research findings (Adler 1991, Solomon 1995; Hammer et al. 1998) indicate that 25 per cent of employees, who complete overseas assignments want to leave their company on their return. It has been determined that the cost of losing a single repatriated employee has been estimated to be as high as $1.2 million (Black 1992, Shaffer et al. 1999, Forster 2000). Furthermore, evidence reported by Stroh et al. (1998) suggests that organisations investing in international career development plans for their expatriates are more likely to have lower rates of repatriate turnover than those without such plans.

The preparedness phase of crisis management has relevance for better preparing expatriates for homecoming. Repatriation programs that assist in the development of organisational policy and job definition for repatriates combined

with financial and career counselling and family orientation are initiatives that can be implemented as part of the overall process of career development and international human resource management (Black 1992, Swaak 1997, Tung 1998a, Hauser 1999). Failure to address repatriation problems may lead to disillusionment and high turnover (Mendenhall & Oddou 1991, Engen 1995, Tung 1998b, Haines & Saba 1999).

Therefore, the challenge for organisations is to view repatriation as reverse expatriation, posing many of the same problems and warranting many of the same solutions (Swaak 1997).

2.6.2 Repatriation Agreement

Successful assignments begin with repatriation planning at the time of expatriation (Latta 1999). Several researchers (Frazee 1997, Allen & Alvarez 1998) suggest that at the onset of an overseas assignment a repatriation agreement should be determined between the employee and the employer in order to develop a repatriation process to help manage the employee's goals and expectations. The elements of a repatriation agreement are very likely to include provision of a specified period of the assignment and a return incentive payment. On return, the expatriate should have an assurance of a job that is mutually acceptable (i.e., one equal to or better than the one held before leaving), and a provision of re-entry training combined with a repatriation program to support the repatriate and help the family readjust back into their home country. Relocation benefits such as arranging pre-repatriation home country 'house hunting', school registration and the shipment of personal goods, would further reduce the problems associated with a return home (Downes & Thomas 1997, Frazee 1997, Allen & Alvarez 1998, Barton & Bishko 1998, Hammer et al. 1998).

2.6.3 Repatriation Programs

According to Allen and Alvarez (1998), the effectiveness of a repatriation program rests on its ability to address the following questions: "Will I get a good job when I return? Will my career be enhanced and will my newly acquired skills and perspective be valued and well utilised in the home organisation?" (1998). Repatriation programs which are likely to be based on knowledge acquired from the responsiveness phase of an organisational crisis, consist of activities that provide a comparable position or a promotion from the job held before repatriation and assistance for the employee and family in assimilating back into their home culture, these programs are crucial in demonstrating supportiveness to the returnees (Peltonen 1998). These repatriation strategies are likely to improve repatriation success rates by emphasising the commitment of the organisation to its expatriate staff (Allen & Alvarez 1998) and may encourage expatriates to feel that their best interests were a priority, leading to enhanced expatriate commitment to the parent firm. In addition, it helps to develop commitment to the new local work unit, thereby facilitating the retention of these strategic human resources (Black 1992).

2.6.4 Expatriation and impact on Career

From the perspective of foreign assignments being a good management tool, one could expect that companies systematically link career management and international transfers. However, this does not seem to be typically the case and as a result expatriates face a different reality than what they expected after returning to their home country. Expatriates often expect to be rewarded with high level jobs and opportunities to utilise skills acquired while abroad (Stroh et al, 1998). Still, a new position in the domestic organisation may often be ambiguously defined, a new position may include less authority compared with the position held during the foreign assignment and the expatriate may find him/herself placed in a "holding pattern" on their return (Riusala et al, 2000). Expatriate managers may also feel a certain disillusionment when they see how

other executives, who did not take a foreign assignment, have progressed in their careers (Harvey, 1989).

In addition, the expatriates may find that they are returning to a country and an organisation that has changed during their absence; they have not kept up to date with these changes and they themselves may have changed during their assignment (Black, 1992). Due to such difficulties, returning expatriates often face a so called "reverse culture sock" which is caused by the mismatch between people's expectations prior to their repatriation and what they actually encounter after they return home (Forster, 1994; Black, 1992 and Riusala, 2000).

Only 20 – 30 per cent of repatriates reported international assignments having a positive career impact (Oddou and Medenhall, 1991; Derr and Oddoe, 1991) and although this is not within the scope of this specific research, it is important to note the apparent paradox. 10 – 25 per cent of the expatriates even leave their company within one year after repatriation (Black and Gregerson, 1999). Furthermore, if companies are seen to deal unsympathetically with the problems faced by exptriates on re-entry, individuals will be more reluctant to accept the offer of foreign assignments (Harvey, 1989).

The challenges of repatriation are also acknowledged by Austin and Beyer (1984) as they observed that families returning to their home country often undergo a stressful re-entry period. Austin (1983) reports that a substantial number of families find the homecoming process to be more difficult than the initial adjustment to the field.

Repatriation management deals with another unique set of issues that needs to be addressed within a separate repatriation programme (Soloman 1995). Encouraging returning employees to stay with the organisation should be made a high priority. Webb (1996) identifies the two most important re-entry issues as; providing repatriates with a position which utilizes their acquired skills and thus, openly validating the importance of overseas experience.

Returning employees may also need relocation assistance and counseling to cope with reverse culture shock. In addition, it is common for returning employees to need skill and knowledge upgrading. Training or education, therefore, may be required to meet the criteria for new positions, as repatriated employees may need assistance in readjusting to the home office. Finally, returnees should be debriefed extensively in matters relating to both the foreign assignment and the home office (Sloman 1995). Management should also bear some responsibility for addressing problems repatriated families may encounter in readjusting to a home country. Croft (1995) summarises that re-entry is often more stressful for the family than adjustment to a foreign culture.

2.7 Conclusion

In order to ensure that the valuable skills possessed by returning expatriates are not wasted and to facilitate the repatriation process and career development of their expatriates, MNCs have acknowledged the need to develop better career support programmes (Bennett, 1993).

Two questions have driven this research on expatriate management policies and practices used by multinational corporations. First, can researchers/South African corporations generalize from much of the research literature that draws primarily on the experience of American multinationals? Second, how current are numerous researcher's findings based on data in the late 1970s and early 1980s using samples of American, European, and Japanese multinationals. For example Tung (1987), found that staffing criteria varied by occupational groupings (executives, managers, technical, or professional), with technical qualifications more important for technical and professional staff, while interpersonal skills and adaptability were given greater weighting for managers and expatriate executives. The author also found that lower expatriate failure rates were associated with greater variability in both staffing criteria and training for the expatriate assignment.

3. Research Question

As illustrated in the preceding literature review, much has been written regarding formal HRM practices. However, while much has also been written regarding the applicability of these practices to the international realm, there appears to be a rather substantial gap between what the academic literature recommends and what most organisations actually practice (O'Sullivan et al, 2002). Due to most existing research has been based on European, Japanese or US organisations (Tung, 1981), at present, there is no way of knowing the extent to which South African multinationals adhere to these practices or their reasons for doing so or not. Thus, the following research question is proposed: How thoroughly is Barclays Africa implementing the "best practices" that have been recommended in the domestic and international HRM literatures? These "best practices" namely being:-

1. Selection
2. Preparation
3. Management while offshore and
4. Repatriation

4. RESEARCH METHODOLOGY

4.1 Introduction

Amaratunga, Baldry, Sarshar and Rita (2002) say that although research is important in both business and academic activities, there is no consensus in the literature on how it should be defined. One reason for this is that research means different things to different people. However, from the many different definitions offered there appears to be agreement that:

- Research is a process of enquiry and investigation
- It is systematic and methodical
- Research increases knowledge

The research methodology chapter aims to describe the research methods employed to prove or disprove the research propositions as set out in Chapter 3. Based on the literature reviewed, it is very clear that selection, preparation, management whilst offshore and repatriation are key areas of International Human Resource Management (IHRM) best practice on expatriate management. This however needs to be tested against findings from Barclays Africa's expatriates themselves in order to ascertain the level of compliance. This chapter will determine whether the use of IHRM best practice is utilised or not. Findings from the survey will then test the proposition further.

4.2 Research Design

Kerlinger (1986) defines the research design as the plan and structure of investigation, so conceived to obtain the research design. According to this definition the entire current chapter seeks to describe the design of the study.

The design of this paper's research methodology was driven by the need to accumulate data that represented what the expatriates actually experienced, the company's expatriate management systems and styles, and how these could be compared to the theory and benchmarks of the world's best practice. This type of information could only be accumulated by interventions with the sample group

that were to be representative of the population group. The intervention was conducted in the form of questionnaires that were quantitavely and qualitatively analysed in order to make inferences about the population groups perceptions of the company's systems and management styles regarding expatriates and then to use this data as a base for comparative analysis.

Punch (2005) explains that there are three uses of the term 'research design' in literature, roughly ordered from general to specific. At the most general level, it means that all the issues involved in planning and executing a research project – from identifying the problem to reporting the results.

By contrast, at the most specific level, the design of a study refers to the way in which research guards against it and tries to rule out the alternative interpretation of results. Between these two, there is the general idea of design as situating the research in the empirical world and connecting research questions to data.

Punch (2005) further chooses to define a research design using this last definition and presents the following diagram to illustrate the definition.
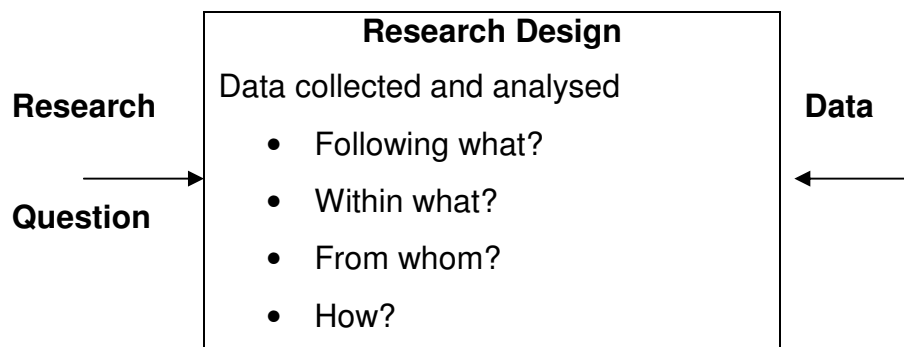
Research Design
Data collected and analysed

Research →
- Following what?
- Within what?
Question
- From whom?
- How?

← **Data**

Figure 4 – Research Design Connects Research Questions and Data (Punch 2005, p63)

46

4.3 Types of Research

The research design was both quantitative and qualitative in nature to explore the challenges faced by expatriates on assignment. The choice between quantitative and qualitative analysis is often posed in terms of selecting the "right" method. This problem of selection may be framed around problem-specific issues or may be described as rooted in more deeply held philosophical perspectives. The debates that surround methodological choices are important, but they often are specious. Most analysts make their broad methodological choices based on what they like doing, Van Maanen (1988).

According to Fritzer (1996), interpretation is central to the process of analysis, regardless of whether that analysis relies on quantitative or qualitative data. The author further states that both qualitative textual analysis and quantitative statistical analysis rely upon contextual and tropological paradigms, although the specific conventions differ in many respects.

4.3.1 Quantitative

Paulos (1988) states that "people are afraid of numbers because they do not know how to interpret them, which often means that they do not know how to put them in context." The quantitative aspect of the research dealt with the examination of relationships that occurred between two or more variables. Variables such as gender and race were explored, as well as the geographic location that each respondent was assigned to.

King (1991) has argued that quantitative political science will advance only by "bringing more politics into our quantitative analyses," and that this can be accomplished by "using more sophisticated stochastic modeling, understanding and developing our own theories of inference, and developing and using graphical analysis more often." Furthermore, interpretation is a problem of language and communication (McCloskey 1985), even where that language is mathematical in form. This leads to the recognition that modes of interpretation

must have core commonalities regardless of whether the object of interpretation is traditional text or statistical data.

4.3.2 Qualitative

Bailey (2004), states that "the aim of qualitative research is to interpret behaviours, events and perspectives from the viewpoints and perceptions of those under study". Bailey (2004) further goes on to say that qualitative research "allows for rich and in-depth analysis of the data being researched and as it is the participant's interpretation of reality that accounts for much of the variation in the phenomenon of interest, the data of interest should arise from the participant's point of view".

Supporters of qualitative research designs stress its potential for theory and development through rigorous coding and interpretive procedures. Strauss and Corbin (1990) identify the tasks of qualitative research as "to uncover and understand what lies behind any phenomenon about which little is yet known" or "to gain novel and fresh slants on things about which quite a bit is already known". The authors also claim that "qualitative methods can give the intricate details of phenomena that are difficult to convey with quantitative methods", indicating the usefulness of qualitative data in interpreting quantitative findings. Supporters of qualitative approach claim that a deductive methodology constrains researchers within current theory, whereas an inductive method encourages theory development or theory extension (Jarratt 1996).

The process of data analysis, regardless of whether the data is qualitative or quantitative, involves an interaction between the analyst and the data. The better the questions the analyst asks of the data, the more informative the answers that can be extracted. By using both types of research methodology, the researcher was able to provide an in depth exploratory analysis of how expatriates at Barclays Africa make sense of their assignments.

4.4 Survey Research

The research was conducted using an online survey. Easterby-Smith (1999) states that the main aim of a survey is to obtain information from or about a defined set of people or population. According to Page (2000), "a survey enables a researcher to study a population sample in order to infer characteristics of a population (generalise findings)"

Welman and Kruger (2001) list a number of advantages of using survey research:

1. Surveys require less time and less financial expense
2. Surveys measure the state of affairs at a specific time so that the opinions of all respondents are comparable
3. Surveys promote greater accuracy in the information gathered as people responding normally do so willingly and thus are more likely to be frank in the answers

4.5 Questionnaire Design

A questionnaire was chosen instead of other research methods as it allowed structured questions to be posed to respondents. This ensured focus in answers received. Due to constraints such as time, financial and vast geographic locations, structured interviews could not be conducted.

4.6 Population and Sample

According to Bailey (2004), a population includes all of the objects of interest to the study. In this study the objects of interest were the expatriates employed by Barclays Africa. There are 48 expatriates employed by Barclays Africa throughout Africa. Due to relatively low number of expatriates, the population is the sample.

4.7 Questionnaire Development

The questionnaire emanated from the literature review and the research proposition detailed in Chapter 3. The main theme of the questionnaire was:

1. Selection
2. Preparation
3. Management whilst offshore
4. Repatriation

The questionnaire was made up of a mixture of dichotomous, open ended questions, rank order and rating scales. This allowed the researcher the opportunity to probe and uncover the full dimensions of the research problem.

According to Miles and Huberman (1994), pretesting is recommended in order to validate the questionnaire. Thus, a paper based copy was pre-tested on two senior expatriate specialists at Barclays HR department to ensure a clear understanding of the questions prior to distribution.

The sample received a covering letter in the form of an e-mail message from the Barclays Reward Team explaining the purpose of the research and requesting them to complete the survey.

4.8 Data Collection

An online survey was used as the method of data collection. This method of data collection was chosen because it could be administered in a time efficient manner, minimising the period it takes to get the survey into the field and to collect the data (Evans and Mathur, 2005) as all expatriate employees have access to a computer with internet access thus access to the internet was not a challenge. Online surveys provide convenience in several other ways:

1. Respondents were able to answer the questionnaire at a time convenient to them and they could take as much time as they needed on the survey (Evans and Mathur, 2005). This is most important as expatriates are

geographically located in different time zones and may adhere to different office hours

2. The online survey allowed for the use of many different types of questions i.e. open ended and dichotomous questions

3. The online survey allowed for ease of data entry and analysis; it was relatively easy for respondents to complete the online survey and for their responses to be tabulated and analysed

4. Once the last questionnaire was submitted, the researcher instantaneously had all the data stored in a database

4.9 Data Analysis

The data from the survey was entered into tables and processed. The tables were used to group the data according to common themes. The insights and themes were then analysed in greater depth, particularly in light of the factors and issues coming out of the literature review.

Where the respondents gave a comment to a question, these were grouped according to recurring themes. The comments were listed according to the frequency of the comment made. In addition, the theories discussed in the literature review were used to interpret and understand the issues and themes that resulted from the data.

4.10 Limitations of the research

No study is without limitations and this study is no exception to the rule. One weakness inherent in single case research where the number of cases is less than 30, is that it becomes difficult to generalise to the greater population of South African MNCs (or to MNCs in general). Nevertheless, this study will provide a valuable first in-depth look at the research question posed. Further research may then adopt a larger scale, qualitatively and quantitatively empirical approach to confirm some of the findings observed. Another potential limitation is researcher bias. Since only one researcher was available to conduct the

interviews and the coding, there may have been a loss of objectivity due to fatigue and information overload. (Miles and Huberman, *1984).*

Miles and Hubeman (1984) point out that a researcher can achieve better definition when the data is coded by two researchers. Although ideal, this was not possible in this case due to time constraints. However in order to compensate for this challenge, Miles and Huberman's (1984) recommended procedures for organising data were closely followed, thus allowing for a retrievable data set and possible verification of the data. Also, multiple sources of information were used (questionnaires, interviews, annual reports and subject matter expert opinion) to form a source of triangulation.

Notwithstanding these potential limitations, this research was still able to address very relevant issues in the area of international human resource management, and more specifically create a clearer picture of the South African business context. This research was also able to point to practical implications for Barclays Africa and to organisations in general, as well as to future research areas to be developed.

5. RESULTS

The results of this study were summarised in five major sections which parallel the research foci of expatriate management. Responses to the asked questions will be reported in the five categories, (1) characteristics of the sample, (2) expatriate selection process, (3) expatriate preparation (pre-departure training), (4) management whilst offshore and (5) repatriation process.

Importance of selection, preparation, management and repatriation to the success of an expatriate assignment

Repatriates were asked to rate on 5-point Likert-type scales the importance of the contribution of selection, preparation, management and repatriation to the success of an expatriate assignment. (0 = unimportant; 3 = useful, but not essential; 5 = mandatory.) Their responses have been averaged and are recorded in Figure 5.
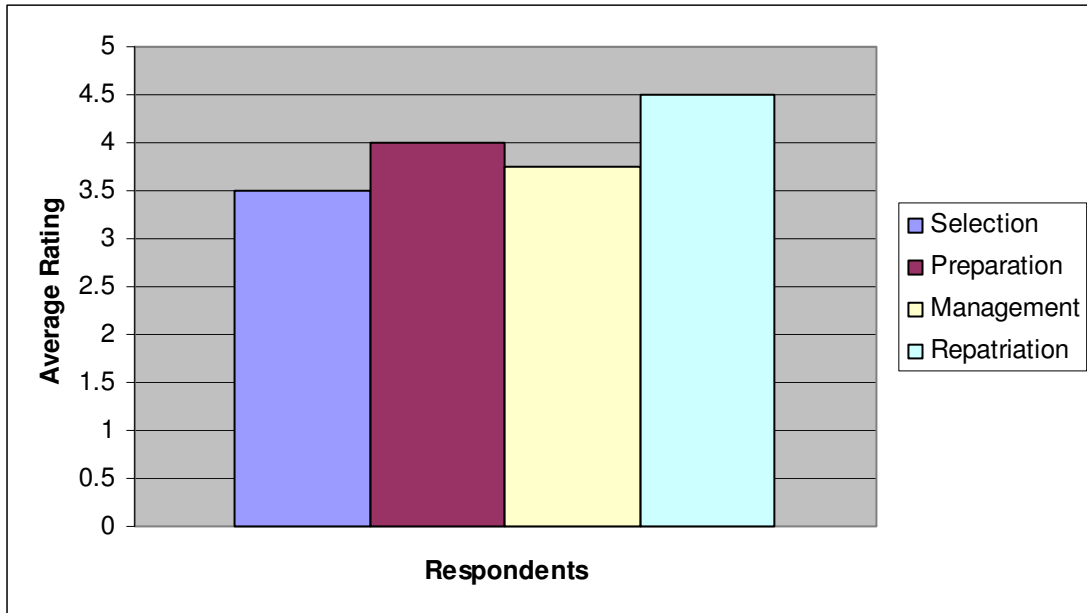

Figure 5
Importance of four aspects in contributing to success of expatriate assignment – respondent's opinions

5.1 Sample Characteristics

The response rate to the survey from respondents was 94% with the majority being males between the ages of 30 and 49, see Table 2.

	%		%
Population		*Marital Status*	
Response rate	94	Married/common-law marriage	83
		Single	17
Gender			
Male	87	*Family Situation*	
Female	13	Partner abroad	85
		Partner working abroad	8
Age Group		Children abroad	75
Less than 30 years	0	Children of school age	70
30 - 39 years	35		
40 - 49 years	37	*Status*	
Over 49 years	28	Upper-level management	15
		Management level	32
International exeprience		Middle-level management	35
Assignments in other countries	13	Other (e.g. expert or clerical)	18
Location of the unit		*Function*	
South Africa	28	Marketing	6
Zambia	11	General Management	60
Kenya	23	Finance	30
Ghana	18	Other	4
Tanzania	13		
Other	7		

Table 2 - *Sample Characteristics*

5.2 Selection

Sections 2 & 8 of the questionnaire covered questions relating to the topic of selection.

Selection Criteria used for the Appointment	
Approached by management	49%
Part of Career progression plan	27%
Formal structured interviews	8%
Willingness to relocate (mobility)	4%
Skills shortage in host country	12%

Table 3

Table 3 above displays the summary of the selection criteria used to evaluate the applicants. The majority of the respondents (49%) were approached by senior members of staff to take up these expatriate positions. Also linked to that and coming in second at 27% is career progression where the move is seen as a stepping stone to greater prospects within the company.

Below are some highlights of different issues raised and comments made.

"selection process is essential but it will not guarantee success of expatriate assignment."

"a selection process, if appropriately structured, could enhance the chance of a successful expatriate assignment overseas. However, there will always be the element of the individual's capacity to adapt or not. This can't always be picked up through the selection process."

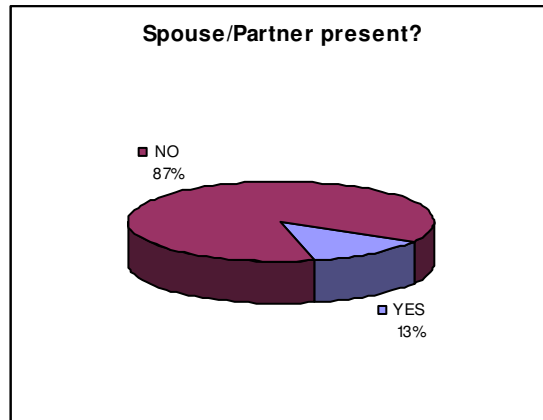<u>Presence of partners/spouses during interviews and selection process</u>

Figure 6

Figure 6 shows the percentage of support from spouses or partners during the interview. An overwhelming 87% of spouses and partners were not present during this process. Of those that were present, all (100%) were allowed to ask questions at the interview.

Some of the sentiments shared by the respondents when asked to elaborate on the selection process were as follows:-

"having witnessed unsuccessful selection, I believe a comprehensive selection process is very important. Never underestimate the need to satisfy the spouse."

"I would advise colleagues considering going on expatriate assignments to thoroughly evaluate the reasons (a) why they have been chosen and (b) why they are willing to go because in the end when things get tough, it is only those reasons that will make you stay and persevere"

"it is important the appointee is thoroughly investigated and informed. Social adjustment is crucial although business reasons are the driving needs in the recruitment."

Below in figure 7 is an index indicating the level of satisfaction with the selection process.
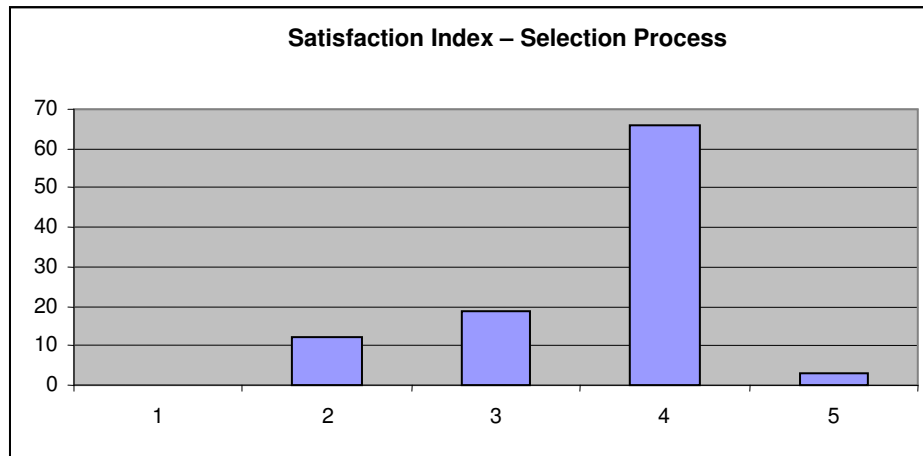

Figure 7

The majority of the respondents (more than 80%) have indicated that they are satisfied with the selection process.

The results also indicated that over 60% of the respondents attended cross-cultural and language training.

5.3 Preparation

Section 3, 4 and 8 of the questionnaire covered questions relating to the topic of preparation for the assignments.

This relates to the level of readiness the respondents were experiencing prior to their departure, it also examines the understanding by the expatriate of their role in the new country.
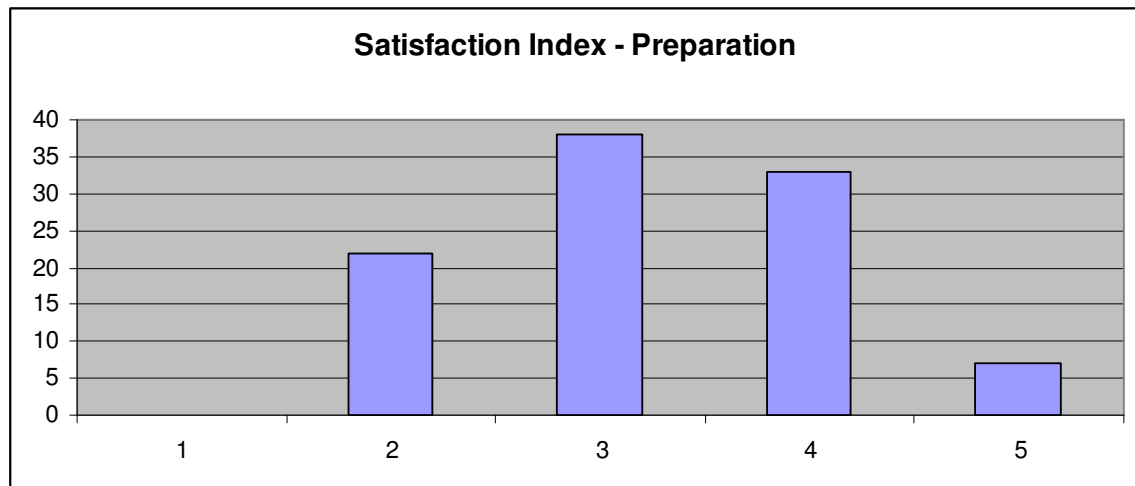
Figure 8

As part of the preparation process, over 90% of the respondents indicated that they were given specific tasks to perform like train new people in the new country and embark on skills transfer process. However, it is difficult to measure the success or failure of the skills transfer – there are no measurement tools to evaluate this. A majority of the respondents (73%) indicated that they were not made aware of any strategic intent of their assignments, how their appointment aligned itself with the overall direction and needs of the organization.

Reasons for accepting expatriate assignment
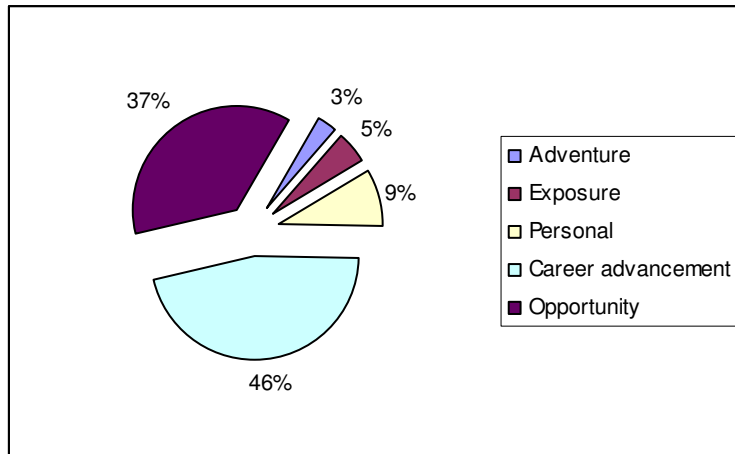

Figure 9

There is a clear bias towards career advancement which is seen as the biggest reason why the respondents accepted the international assignments. Over 97% of these respondents willingly accepted the assignments i.e. they were not forced to these assignments or else they would lose their current jobs.

A number of expatriates referred to the difficulties of preparation:

"it is very difficult to prepare - it is just too different."

"very difficult to prepare prior to going. No substitute for the experience of being there personally."

Other respondents highlighted the importance of preparation:

"it is very important to be aware of the local cultures and customs as well as the health risks. You must also know what is expected of you work-wise."

"preparation would have meant a faster learning curve, as a result I was probably a couple of months behind where I could have been."

"the more prepared you are the easier and shorter is the settling in period, but this doesn't necessarily affect success."

"extremely important if you're not prepared then you won't settle quickly. Especially if you travel alone, you need to be very prepared as you alone deal with the issues."

"first impressions are lasting and can make settling-in process easier or difficult."

The comments of a number of respondents highlighted the personal characteristics which were seen to be vital to the success of an expatriate assignment:

"being prepared/knowing what you are in for helps; but in reality is up to the individual's personal…"

"the better prepared and supported the better likelihood you will contribute successfully in a work sense and the more likely the entire family will cope - mutually reinforcing."

"obviously the better prepared you are, the more effective you will be. Also the quicker you will adjust."

"being prepared for what you will face is crucial to the success of the expatriate assignment. Both personally and professionally."

"it helps, mainly by saving time in coming to grips with the new environment."

Other respondents commented on the impact of previous experience, certain personal characteristics and the destination on the importance of preparation:

"for my circumstances, depends on previous experience. International work requires a good deal of flexibility and adaptability because much can't be predicted."

"being unprepared may knock you about initially, but having the personal qualities and technical skills is what is going to get you through that regardless and is what is going to set the position in good stead in the long term. Being prepared is a nice start, but overall, its a minor occurrence you forget if its good and you put out of your mind if its bad."

A number of comments endorsed the importance of preparation in contributing to the success of an expatriate assignment:

"there are limitations, but this is one of most crucial factors in success."

"it is not a light matter to be entrusted with an overseas assignment and preparation for such a task is of utmost importance."

"no preparation equals recipe for disaster."

"an intelligent and sensitive (in a positive sense) person would eventually succeed, but it would be more difficult and stressful and probably take longer to achieve success."

"without good preparation, the person may successfully adjust, but it would be much much harder."

5.4 Management whilst offshore

Section 5, 6 and 8 of the questionnaire covered questions relating to the topic of management whilst offshore for the assignments.

Satisfaction Index Chart - Management whilst offshore
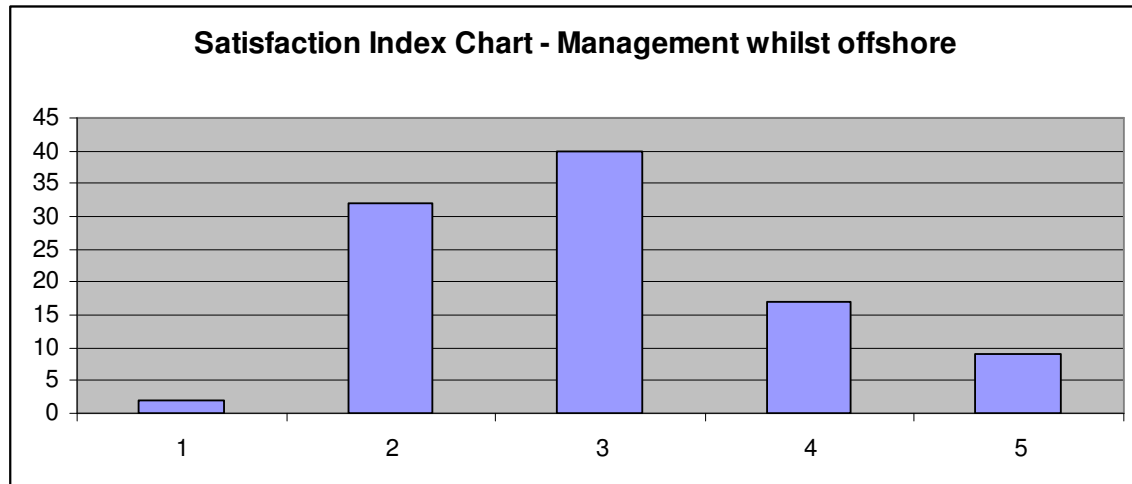
Figure 10

As much as 40% of the respondents indicated they fairly satisfied with the level of support whilst they were offshore. BA seems to have this area of expatriate management best practice under control. BA policies and practices in active support seem to emulate research undertaken by Barton and Briksho (1998) in which they devised 10 tips for expatriates. All these tips (Appendix A) relate to the active support of expatriates whilst they are off shore.

Respondents' comments highlighted the importance of support in contributing to the success of an expatriate assignment:

"if this is how a business makes its money, it should be top priority to look after the people."

"depends on the circumstances. It is important if the home office wants to get the most out of the process."

"without adequate support, it would be difficult to perform the assignment. It is in the company's best interests to support you."

"critical for personal success."

Several other respondents made the following observations:

"I didn't bother too much but they could have done more to let you know that you weren't totally forgotten."

"would have been nice!"

Respondents' comments highlighted the importance of support:

"it is a huge boost to morale of all involved when the organisation recognises them and makes them feel a part of the greater whole. At times this was not the case and morale among expatriates plummeted."

"any kind of support from 'home' is vitally important to the 'morale' of personnel greater support, easier adjustment - airfares and departures stuffed up."

"effective support is particularly important in countries which are classified as 'difficult' the better the level of support, the better the performance of the staff expatriated."

Some respondents highlighted the importance of personal characteristics in contributing to the success of an expatriate assignment:

"hard to rate. Some people, because of who they are need lots of help, but they are the type of people I consider should've stayed home. The rest can cope for themselves because they are resourceful like that and probably half the reason why they were sent in the first place."

"it would seem a contradiction to send someone overseas and then not give back up and support. Lines of accountability for the person sent can also be kept much more in place where there is a good support system."

"it is a tremendous encouragement and motivation to do your best."

5.5 Repatriation and career management

Sections 7 and 8 of the questionnaire covered questions relating to the topic of repatriation for the assignments.

Figure 11

Respondents' comments endorsing the value of repatriation assistance included:

"important - speeds up re-acclimatising upon return."

"important in terms of ego/pride/recognition, physically irrelevant as known situation, that is 'home'."

"its too easy for people to forget expats and to undervalue their contribution and ability because they are not exposed to it and do not understand. Expat programs are only as successful as the repatriation."

"one of more important steps that needs to be done well. In our case, it was."

"very important. As you are told that expatriate assignments are extremely important to your career before returning home to a very different attitude."

Some respondents indicated that repatriation assistance was not considered to be necessary:

"not as important as you are returning to familiar territory."

"leave a nice feeling, but not essential."

"irrelevant except if it influences future expatriate assignment decisions."

Other respondents acknowledged the value of repatriation assistance:

"this will make it attractive for expatriates."

"can affect decision to take another expatriate assignment."

"important to perception of success of assignment, but more importantly, impacts on reintegration, perceptions of the organisation, likelihood of going overseas again etc."

"it is important to receive a lot of support and assistance during this transitional period when returning to my country I found that the work and social environment had changed. I had to cope with assimilation without assistance from the organisation. As a result of the displacement felt a change in attitudes. I ended the relationship with my partner. Assistance from the organisation may have aided any reconciliation."

"any assistance to make return run smoothly is far preferable."

"very important. It isn't always good to be home."

"this provides a recognised 'closure' to the experience. It is assumed by most that being home, concludes the experience. It doesn't, the experience continues - it merely has one phase closed."

"it is important as far as possible to have positive feelings about the overseas assignment. The opportunity to talk through the various components with the sending organisation is essential."

"doesn't affect performance overseas because post that. If however include repatriation as part of whole operation/deal then this is weakest link."

"support and counsel most helpful."

"management of repatriation more essential than management of expatriation. This is where a mentor could have been helpful."

"marginally necessary, but we would not have hesitated to go, even if none of it was available. The whole family would be back tomorrow if we could."

"an assignment can be completed successfully without repatriation assistance to follow. However, a worker may then hesitate to accept another overseas assignment. Also confidence in the organisation would be lower. For successful repatriation, assistance is very important."

"repatriation assistance doesn't affect the success of an expatriate assignment, but it does affect the survival of the person involved in the expatriate assignment."

"more important to success of ongoing life than the expatriate assignment."

A number of respondents highlighted the difficulties associated with re-entry:

"it is often harder to readjust than to enter another culture as you have changed in your ways and often your home country has changed."

"emotions and feelings associated with culture shock and reverse culture shock need to be known, confronted and helped through if one is to remain effective."

6. DISCUSSION OF RESULTS

In this section, the conclusion of the review of the literature with those of the findings of this research study will be discussed according to each of the areas studied to determine the extent to which the literature's findings match those of Barclays Africa's reality. Future research needs will be raised as well as, practical implications for the organisation.

The results of this study has confirmed the importance of the recommended best practices in the domestic and international HRM literatures, these namely being selection, preparation, management while offshore and repatriation. However, there is a delta between what the academic literature recommends and what organisations actually practice (O'Sullivan et al, 2002) in this case the subject organisation being Barclays Africa. There is also evidence to suggest that there is a distinct difference between research conducted in Europe, Japan and US and the results achieved in Africa.

Looking at the sample characteristics, by far the dominant gender are males between the ages of 30 and 49 (72%). 83% of the sample has a spouse or a partner thus this would indicate a strong need to involve the spouse or partner during the selection process. Surprisingly there are no people less than 30 years of age in the sample, this is a stark difference to research work done in Europe (Oddou, 1991) where the sample size consisted 48% of people between ages 25 and 30. This reflected the intention of younger people to accelerate their careers with international assignments.

This study also identified some significant issues for expatriate management. First, what has come loud and clear from the ratings and comments made by the respondents, is the issue on management whilst offshore. It is clear from the respondent's feedback that Barclays Africa (BA) does not provide adequate support for its expatriates whilst they are on international assignment. The respondents expressed views of feeling isolated and wanting to belong to their

home countries. Chowanec and Newstrom (1991) have stated that management or support is the natural continuation of the training process. Copeland (1985) offers a solution to supporting the family whilst offshore through joining a support group or finding a mentor to assist in cultural adjustment and language learning.

Secondly, BA does not have any clear policies on repatriation. The practice seems to be ad hoc and is largely dependant on the hiring manager – there is no structure governing this process. Coyle (1994) notes that although companies recognise that repatriation is a major issue in overseas relocation, in practice it is largely put in the "too hard" basket. This phenomenon has led to many expatriates at BA feeling uneasy and insecure during their last year on international assignment. This makes re-entry to their home posting even more difficult, the study results reveal that many expatriates are uncertain about their future when they return from assignment.

Thirdly, there is insufficient preparation of expatriates setting off on international assignments. Again, BA does have policies in place but it is the practice that is the problem or the very least a perception problem. This is also evidenced by Shilling (1993) who indicated that organisations should have clear relocation policies, pre-departure orientation and on-site cultural adaptation training. From the results, it can be inferred that the two factors which are most likely to influence expatriates' preparation for their sojourn abroad are company policies and time to transfer: how much time is available between the decision to expatriate and the departure. The respondents sampled indicated an average of four months before their departure – this is longer than what has been found in Europe (Brewster, 1988). The analysis revealed the shorter the period , the more dissatisfied were the expatriates.

Fourth, the impact of the expatriate's spouse and family. The influence of the family/spouse is a primary reason for costly premature returns at BA, this has also been documented by Tung (1987) and Black and Stephens (1989). During the selection process and interviews, only 13% of expats families or spouses

were invited to attend so that they could ask questions and satisfy themselves of the major adjustment which will need to be made. By involving spouses and family in the beginning during the selection process any issues can be addressed and thus minimise the risk of expatriate failure. Employment of the spouse also came up as a strong issue which a lot of BA expatriates expressed dissatisfaction with, a lot of the host countries do not offer many opportunities to spouses – this may be due to economic development and general unemployment. Spouses therefore cannot gain meaningful employment thus putting strain their stay in the host country. In these cases if employment is not an option, companies can help the spouse to find education opportunities and cover related costs (Riusala and Suutari, 2000). In some cases compensation for the lost salary of the spouse is sometimes a viable option.

A fifth important finding of this study was evidence which suggests that BA does not use comprehensive cross cultural training programs, This is especially in terms of the 'immersion' and 'affective' approaches. The value of providing a comprehensive training program for expatriates is demonstrated by the low turnover rates among management personnel in European and Japanese multinationals (Tung 1987). Previous studies revealed that other forms of preparation for example, briefings, shadowing and preliminary visits are more frequently used than formal training programs (Scullion 1991, Brewster & Pickard 1994) and considered by management to be cost-effective.

From an overall perspective, the recommendations in the literature that consideration of selection, preparation, management or support while offshore and repatriation contribute to the success of expatriate assignments has been supported, both by the ratings and comments of the respondents. While some comments acknowledged the limitations of any selection process and the difficulties associated with preparation, generally, the need for an appropriate selection process and thorough training was endorsed. The need for support while overseas was widely endorsed by respondents in all locations. Confirming

the lower rating given to the importance of repatriation assistance, there were mixed views expressed as to the importance of such assistance. A common thread running through the comments was the recognition of the influence of the personal characteristics of expatriates on the success of their assignments. In the selection process, while respondents' comments suggested that selection had occurred on the basis of technical competence, they also acknowledged the importance of consideration being given to the personal characteristics and family situation of the potential expatriates. Furthermore, personal characteristics were seen to impact on the need for support while overseas.

7. CONCLUSION

The results of this study have confirmed the importance of selection, preparation, management and repatriation in contributing to the success of expatriate assignments. The implications of this research should be clear for Human Resource (HR) Managers. Selection procedures should address the personal characteristics and the family situation of potential expatriates, as well as their technical competence. Expatriates should be thoroughly prepared prior to departure and supported while overseas. While repatriation may not always be traumatic, there are nonetheless significant issues which returning personnel and their families have to face, thus, HR personnel should be alert to provide relevant support, as needed.

7.1 Recommendation for Barclays Africa

A glaring gap in Barclays Africa's expatriate management process is a weak or non existent repatriation process. The results of the study indicated that repatriation must be planned carefully, from the time of expatriation when expatriate selection occurs. By putting in place suitable HR policies and procedures, BA can, more efficiently manage human resources globally and encourage more employees to accept foreign transfers. This emphasis is a visible sign that the organisation supports expatriates and attempts to contribute to employee success in the overseas assignment.

The research adds to the body of knowledge by concentrating upon expatriates on assignments in Africa. Africa is a continent whose multinational operations have been much less studied than those in the developed world namely USA, Europe and even Asia. Whilst this is not the first study to draw data from the expatriates themselves, it does add to knowledge by looking at another group of expatriates. It is therefore possible to draw conclusions in two major areas.

The first conclusion is that, comparing the evidence from the respondents with that from respondents from other countries in previous studies, it seems clear

that Barclays Africa is much closer to the research recommendations about the management of expatriates than are multinational enterprises from other countries as reported to date.

Whilst the selection criteria used for Barclays Africa's expatriates seem to mirror those elsewhere, BA's expatriates seem to be more likely to have a longer time-scale between the appointment being made and them leaving the country. Perhaps partly, they seem to be more likely to have been better supported and received preparation for their assignment. They seem to be much more likely to be in frequent contact with headquarters and seem more comfortable than most with their repatriation arrangements and their career planning. Overall, the observational and anecdotal data that Africans generally make successful expatriates has been given substantial weight by the data. This may be an outcome of the African culture, where modesty is admired and where extremes, particularly of certainty about one's own superiority, are frowned upon. Generally, Africans also tend to be somewhat self-contained people, with perhaps less of a constant need for feedback from others than some other cultures.

The culture at Barclays Africa is very robust and outcomes oriented. There is an unwritten rule that accepting or being nominated for an expatriate assignment will advance your career, a stepping stone to better things. Many see it as a right of passage into a senior role at the bank or as an investment in their careers despite the location or function may not be desirable.

Expatriates, as a group are generally higher educated than the general population, but this sample was taken from a particularly highly educated group. This may explain the greater attention paid to communications with them and to their career planning and repatriation. They are more valuable employees than those in other samples. However, this is speculative.

Finally, the data was collected from expatriates currently on assignment. It may be that events will not be as positive as they expect on their return home, and their views about their career planning and repatriation will "come down" to mirror

those of most of the evidence which has been collected from HQ specialists and returned expatriates in other countries. There is room for more research here.

Second, the research points up once again the differences between what the expatriates believe would be good practice in their management and what they receive. This is particularly clear here, because in this sample many of the expatriates were happy with their treatment in many important areas: selection, contact with the company, career planning and repatriation arrangements. They cannot therefore be dismissed as pampered employees, whinging and complaining about their situation. Their views of the inadequacy of short decision-to-transfer times and about the continued lack of support, training and preparation, should carry substantial weight. The expatriates who were least happy about their repatriation provisions were those whom the organisation had promised to help, but had not done so: or at least had not done so at the time of enquiry. Those expatriates who had not been promised help were more satisfied: another argument, perhaps, for ensuring, that in the organisation's dealings with this crucial group of employees, a match between promise and action is maintained/developed.

There are implications here for the managers of expatriates, for the expatriates themselves and for researchers. In terms of company management it would seem that there is evidence of the effectiveness of good practice at Barclays Africa – at least, if the expatriates' views are seen as important. As the case with everything, there is room for a number of relatively low-cost improvements in the way they are managed. As such, the research re-emphasises the value of careful management of expatriates.

For the expatriates themselves, the importance of clarifying expectations, motives and preparation is clear. Especially in Africa, there is room for improving the way in which these issues are considered before and during the assignment.

For researchers, the data presented in this study open up a number of significant lines of enquiry. First, the further extension of research into expatriation to

African countries – and the different findings – indicates the need to collect data from multinational enterprises based outside the USA. The leading research in the field has come from that country, and has spread, as indicated in the citations above, to Canada, the UK and more recently Australia and Asia. There is a need to go beyond this Anglo-Saxon cultural base. It may well be that there are more advanced practices going on in other countries and more research is needed to establish whether the findings are unique to Barclays Africa.

Second, it would be interesting to carry out longitudinal work with this group of respondents and establish whether their views changed with more extensive experience and, where that occurs, return to their home countries.

Third, there is a need to extend this evidence to different kinds of expatriates. Amongst a lesser qualified, and perhaps therefore valued, group, would the same findings apply?

Fourth, options for learning are indicated here which could be explored in depth. How do organisations learn good practice in IHRM? Have they responded to similar stimuli or have messages been disseminated between them? And, if so, what is the mechanism for such a diffusion of knowledge?

A final suggestion is that there should be considerable work to be done in furthering attempts to understand the process of expatriation and whether it is necessary to do that from the point of view of the expatriate and the headquarters organisation – but also perhaps from the viewpoint of the subsidiary organisation and its stakeholders.

8. References

Amaratunga D., Baldry D., Sarshar M. and Newton R., (2002) "*Quantitative and Qualitative Research: Application of 'mixed' research approach"* Vol.51 No.1, pp 17 - 31

Anderson, B (2001). *Expatriate Management – What is Important?*, School of International Business, University of South Australia

Abikhzer, C. (1999). *Towards a Paradigm for the use of best practices in expatriate management: A study of four Canadian multinationals*. Unpublished Thesis, Concordia University, Montreal, Canada

Adler, N. (1981). Re-entry: Managing cross-cultural transitions. *Group and Organisational Studies*, 6(3), 341-356.

Austin, C. (1983). Re-entry Stress: The pain of coming home. *Evangelical Missions Quarterly* 19 (4):278-287.

Austin, C N, and J Beyer. (1984). Expatriate Repatriation: An Introduction to the Literature. *International Bulletin of Expatriate Research* 8 (2):68-70.

Black, J S. (1991). Returning Expatriates Feel Foreign in Their Native Land. *Personnel* 68 (8):17.

Black, J.S., & Gregersen, H. B. (1991). When Yankees come home: Factors related to expatriate and spouse repatriating adjustment. *International Business Studies*, 22(3), 671-694.

Black J.S., Medenhall M.E. and Oddou G. (1991). Toward a comprehensive model of international adjustment: An integration of multiple theoretical perspectives, *Academy of Management Review* 16, 291 – 317.

Van der Boon, M (2006). Assessment and selection criteria for expatriates: what guarantees assignment success? *XPat Journal* www.globaltms.com/Articles%20html/sel.crit.exp.html

Centre for Research into the Management of Expatriation (CReME) (2001). *The Changing World of the Expatriate Manager*. UK

Chew, J (2004). Managing MNC Expatriates through Crises: A Challenge for International Human Resource Management. *Human Resource Management,* 12(2), pp 1 - 30

Chowanec, G D, and C N Newstrom. (1991). The Strategic Management of International Human Resources. *Business Quarterly* 56 (Autumn):65-70.

Clague, L, and N B Krupp. (1978). International personnel: the repatriation problem. *The Personnel Administrator* (April):29-33+.

Clark, T., Grant, D., & Heijltjes, M. (2000). Researching comparative and international human resource management. *International Studies of Management & Organisation*, 29(4), 6-23.

Coyle, W. (1994). Companies still reluctant to offer comprehensive support. *HRMonthly* (September):4.

Cureton, C. (1983). Expatriate Fit: A Criterion-Related Model. *Journal of Psychology and Theology* 11 (3):196-202.

Davidson, P, and E Kinzel. (1995). Supporting the Expatriate: A Survey of Australian Management Practice. *Asia Pacific Journal of Human Resources* 33 (3):105-116.

Derr, B.C. (1993), "Internationalising managers: speeding up the process", *European Management Journal,* Vol. 11 No. 4, pp 435-42

Diekhoff, G M, B A Holder, P Colee, P Wigginton, and F Rees. (1991). The Ideal Overseas Expatriate: A Cross-Cultural Comparison. *Journal of Psychology and Theology* 19 (2):178-185.

Enderwick, P, and D Hodgson. (1993). Expatriate management practices of New Zealand business. *The International Journal of Human Resource Management* 4 (2):407-423.

Feldman, D.C., & Tompson, H.B. (1993). Expatriation, repatriation, and domestic geographical relocation: An empirical Investigation of adjustment to new Job assignments. *Journal of International Business Studies*, 10(3), 507-529.

Fieldman, D.C., & Thomas, D.C. (1992). Career management issues facing expatriates. *Journal of International Business*, 23(2), 271-293.

Graham, T. (1987). How to select the best church planters. *Evangelical Missions Quarterly* 23 (1):70-79.

Gregersen, H.B., and Black J.S. (1992). Antecedents to commitment to a parent company and a foreign operation, *Academy of Management Journal* 35(1), 65-90

Grgersen, H.B., Morrison, A.J. and Black, J.S. (1998), "Developing leaders for the global frontier", *Sloan Management Review*, pp 21-32

Harris, J E. (1989). Moving Managers Internationally: The Care and Feeding of Expatriates. *Human Resource Planning* 12 (1):49-53.

Harvey, M.G. (1993). A survey of corporate programs for managing terrorist threats. *Journal of International Business Studies*, 10(3), 465-479.

Hawley, K (2000). Expatriate Management in Africa – Not so easy; No room for complacency. *HRM Magazine*, pp 24 – 27

Hodgetts, R.M. (1993). *Modern human relations at work* (5th ed.), Hinsdale, IL: Dryden Press.

Holopainen, J and Bjorkman, I (2005). The personal characteristics of the successful expatriate, *Personnel Review*, Vol.34 No.1 pp 37-50

Jarratt, D.G., (1996), "A comparative of two alternative interviewing techniques used within an integrated research design: a case study in out-shopping using semi-structured and non-directed interviewing techniques" Marketing Intelligence & Planning Vol.14 No.6, pp. 6-15

Kritzer, H. (1996). The Data Puzzle; The Nature of Interpretation in Quantitative Research. *American Journal of Political Science,* Vol. 40, pp 1-32

Lane, H.W., DiStefano, J.J. and Maznevski, M.L. (2001) *International Management Behaviour*. Oxford: Blackwell Publishers Ltd.

Lindquist, S. (1983). Is the psychological test worth it? *Evangelical Missions Quarterly* 19 (2):114-119.

Medenhall, M., Dunbar, E and Oddou, G.R. (1987), Expatriate selection, training and career pathing: A review and a critique, *Human Resource Management* 26(3), 331-345

Mendenhall, M., & Oddou, G. (1991). *International human resource management*. Boston: PWS-Kent Publishing.

Milliken, J. (2001). *"Qualitative research and marketing management"* Management Decision 39/1 [71 – 77]

Morosini, P. (2001). *Effective strategy and execution across cultures in global corporate alliances.* Pergamon Press, Oxford, U.K.

Muller, H. (2004). *South African Expatriate Managers are Global Gems. Unpublished research project.* Graduate School of Leadership, University of South Africa.

Myers, M.D., Qualitative Research in Information systems. www.misq.org/dicovery/MISQD_isworld/index.html (accessed21 July 2006)

Naumann, E. (1993). Organisational predictors of expatriate job satisfaction. *Journal of International Business Studies*, 10(1), 61-80.

Oddou, G R. (1991). Managing Your Expatriates: What the Successful Firms Do. *Human Resource Planning* 14 (4):301-308

ORC Worldwide (2004) *IRC Survey of Global Talent Management Practices* Summary at http://www.orcinc.com/surveys/ircgtm.html (accessed 24/07/06)

O'Sullivan, S.L., Appelbaum, S.H. and Abikhzer, C. (2002). Expatriate Management "best practices" in Canadian MNC's : a multiple case study, *Career Development International*, 7/2 pp 79-95

Riusala, K. (2000). Expatriation and careers: Perspectives of expatriates and spouses. *Career Development International*, l5 (2), 81-90.

Riusala, K and Suutari, V. (2000). Expatriate and careers: perspectives of expatriate and spouses. *Career Development International* 5/2, 81-90 MCB University Press

Shaffer, M.A., Harrison, D. A., & Gilley, M.A. (1999). Dimensions, determinants, and differences in the expatriate adjustment process. *Journal of International Business Studies*, 30(3), 557-559.

Schiuma, G., Bourne, M. and Neely, K. (2001). Performance Measurement *Handbook Journal*, Vol. 15. No.1

Selmer, J (1997). *Expatriate Management: New Ideas for International Business*, London ; Quorum Books.

Selmer, J. and Luk, V. (1994). Expatriate Management Succession in Foreign Business Subsidiaries, *Asia Pacific Journal of Management* Vol 12, No1: 91 - 100

Shilling, M. (1993). Avoid Expatriate Culture Shock. *HRMagazine* 38 (7):58-63.

Stening, B W. (1994). Expatriate management: lessions from the British in India. *The International Journal of Human Resource Management* 5 (2):385-404.

Sullivan, S E, and H S Tu. (1993). Training Managers for International Assignments In *Executive Development*.

Suutari, V and Brewster, C. (2000). Expatriate Management practices and perceived relevance. *Personnel Review* Vol 30, No. 5, pp. 554-577

Swaak, R.A, (1995). Expatriate Management: The Search for Best Practices, *Compensation and Benefits Review*, Mar/Apr 1995, pp21-29

Tung, R L (1981). Selecting and training of personnel for overseas assignments, *Columbia Journal of World Business* 16(1), 68-78.

Tung, R.L. (1982), "Selection and training procedures of US, European and Japanese multinationals', *California Management Review,* Vol. 25 No.1, pp 57-71

Tung, R L. (1984). Human Resource Planning in Japanese Multinationals: A Model for US firms? *Journal of International Business Studies* 15 (Fall):139-149.

Tung, R.L. (1998). A Contingency framework of selection and training of expatriates revisited. *Human Resource Management Review*, 8(1), 23-37.

Vance, C.A. (2001). *Managing effective Repatriation.* HR Directions, Tampa, Florida

Welch, D. (1998), "Determinants of international human resource management approaches and activities: a suggested framework" *Journal of Management Studies,* Vol. 31 No. 2, pp 139-164

Welman, J.C. and Kruger, S.J. (2004) *Research Methodology.* 2nd ed. Cape Town: Oxford University Press Southern Africa.

Werner, S. (2002). Recent Developments in International Management Research: A Review of 20 Top Management Journals. *Journal of Management* 28(3), 277 – 305

Wright, P.C., Geroy, G.D. and Baker, N. (1996). Managing expatriates: a systems approach. *Management Decision*, 34/10, pp 32-42. MCB University Press

Zeira, Y and Banai, M. (1984) "Present and desired methods of selecting expatriate managers for international assignments:, *Personnel Review,* Vol.13 No.3, pp 29-35

APPENDIX 1

<u>10 TIPS FOR EXPATRIATE MANAGEMENT</u>

Barton and Brishko (1998) in their research article on Global Mobility to the HR Focus Review, devised 10 tips for expatriates.

1. FIND MENTORS. Use people who have been in that international assignment and have returned to mentor those who are about to go.
2. USE TECHNOLOGY. Use e-mail to keep in touch so that those on assignments still feel connected to the organisation. Create an online company newsletter designed for international assignees. Also, provide an Internet connection at the employee's home so the entire family can communicate with family and friends, as well as keep current on news and events.
3. DEVELOP IN-COUNTRY PARTNER RELATIONSHIPS. Pair families with other families already in the country before they arrive.
4. ENCOURAGE SPOUSE EMPLOYMENT. Employ the spouses of international assignees. If that is not possible, create volunteer opportunities right away either in the company or elsewhere so that spouses can be active and gain a sense of achievement while abroad.
5. GIVE ATTENTION TO CHILDREN AND SPOUSES. In the preparation for the assignment, give intentional attention to the rest of the family.
6. PROVIDE CAREER COUNSELING. Before, during and after, conversations with managers should be required in the area of how the assignment will affect the overall career.
7. FIND ASSIMILATION MENTORS. Use mentors with the employee and family upon their return to the home country.
8. EXAMINE ALL THE INSTRUCTIONAL MATERIALS-POLICIES. Make certain they are easily understood by people who have not been on an international assignment.
9. LOOK AT THE "SETTLING IN" ALLOWANCE--ON BOTH ENDS ASSIGNMENT. The incidental expenses at the beginning of the

assignment or upon the return are difficult and annoying. Taking care of the costs would not be much but would be helpful.

10. UTILIZE THE POWER OF THE ORGANISATION in the area of international credit and the transfer of credit cards.

APPENDIX 2

Expatriate Management at Barclays Africa   **Exit this survey >>**

1. Organisational and Bigraphical Information

In this Section, please tick the box that applies to you

* 1. What is your current position?
- ⬜ Director/General Manager/Chief Executive
- ⬜ Senior Manager
- ⬜ Middle Manager
- ⬜ Manager

* 2. My Gender is
- ⬜ Male
- ⬜ Female

* 3. My Marital Status is
- ⬜ Married or Partner
- ⬜ Unmarried

* 4. Number of Children
- ⬜ 0
- ⬜ 1
- ⬜ 2
- ⬜ 3
- ⬜ 4
- ⬜ Other (please specify)

* 5. What is your Home Country?

* 6. What is the Foreign Country you have been Assigned to?

7. What is the length of your assignment? (in years)
- ⬜ 1
- ⬜ 2
- ⬜ 3
- ⬜ 4
- ⬜ 5

94

Other (please specify)

* 8. Length of Assignment already completed

- 0
- 1
- 2
- 3
- 4
- 5
- Other (please specify)

* 9. My Age ranges between

- 18 - 24
- 25 - 34
- 35 - 44
- 45 - 65

Next >>

Expatriate Management at Barclays Africa   Exit this survey >>
2. Selection Criteria

1. What selection criteria were used for your appointment?

* 2. Was your spouse/partner and family at the interview?
- ⦿ Yes
- ⦿ No

* 3. Were they allowed to ask questions at the interview?
- ⦿ Yes
- ⦿ No
- ⦿ N/A

4. Were you required to attend any cross-cultural and language training?

Yes

No

5. Please indicate your level of satisfaction with the Selection process of Expatriates (1 = poor, 3 = fair, 5 = excellent)
- ⦿ 1
- ⦿ 2
- ⦿ 3
- ⦿ 4
- ⦿ 5

<< Prev   Next >>

96

Expatriate Management at Barclays Africa   Exit this survey >>
3. The Business, Knowledge Management and Strategy

1. Were you given any specific tasks to perform like train people in the new country? (please give details)

Yes

No

2. Did your appointment align itself with the overall direction and needs of the organisation? (please give details)

Yes

No

3. How were you kept informed of the developments in the company back home?

<< Prev   Next >>

Expatriate Management at Barclays Africa   Exit this survey >>
4. Career

1. **Why did you accept this assignment?**

2. **Did you willingly accept this assignment? (Please provide details)**

Yes

No

3. **What factors, other than purely career related affected your decision? eg. adventure, crime rates, foreign travel**

4. **What do you think of the expatriate compensation package?**

* 5. **Once the current assignment is completed, would you prefer to:**

☐ Stay

☐ Go to another country

☐ Back to your mother country

☐ Other (please specify)

<< Prev   Next >>

Expatriate Management at Barclays Africa   Exit this survey >>

5. Family

1. What were the biggest obstacles that your family experienced when settling into a foreign country?

2. What would have helped to make it easier?

3. If you have children, what is the quality of schooling like?

4. If you have children and they did not accompany you - why?

5. If you have partner/spouse and they did not accompany you - why?

6. Please indicate the level of satisfaction with the practice for Preparing Expatriates for their assignments (1 = poor, 3 = fair, 5 = excellent)

1	2	3	4	5
◌	◌	◌	◌	◌

99

91

Expatriate Management at Barclays Africa

Exit this survey >>

6. Expatriate support systems and mechanisms

1. How were you assisted in finding a home?

2. Was all your expatriate documentation prepared by the company?

Yes

No

3. Did you have a look and see visit and if so how long was it?

Yes

No

4. Was your spouse assisted in finding a job?

Yes

No

Was not looking

5. Were you introduced to other expatriates in the new country?

Yes

No

6. How do you keep in contact/communication with Head Office activities other than specific job related e.g. any structural changes or staff promotions?

7. Please indicate the level of satisfaction with the practice of Managing Expatriates whilst they are on Assignment (1 = poor, 3 = fair, 5 = excellent)

1	2	3	4	5

100

Expatriate Management at Barclays Africa

Exit this survey >>

7. Repatriation

1. Were you given the promise of a job to come to? (Please give details)

Yes

No

2. Would you accept another assignment? (PLease give details)

Yes

No

3. Is your contractual period flexible?

Yes

No

4. Were you allocated a mentor whilst on assignment and on return?

5. What would you do differently?

6. Please rate the Repatriation practices at Barclays Africa (1 = poor, 3 = fair, 5 = excellent)

1

2

3

4

5

<< Prev   Next >>

| 0 |

Expatriate Management at Barclays Africa

8. Other

1. What did you find most difficult about your host country?

2. What did you like most about your host country?

3. What advise would you give someone else before going on assignment?

4. What in your view can be improved about the current expatriate/assignment policy?

5. Any other input not specifically mentioned in the survey that you would like to add in order to improve current practices

102