CHAPTER 1

THE PROBLEM AND ITS SETTING

1.1 INTRODUCTION

Chapter 1 seeks to provide the reader with the background and rationale behind the study and clarifies the position of the research study within the topic area. The research problem is identified and refined to workable hypotheses, the objectives for the study are set, the theoretical milieu of the research study is reviewed and available research is cited to substantiate the theory. Throughout this chapter all concepts used in the research study are operationally defined to ensure that the reader has the same understanding as the researcher of the concepts.

1.2 BACKGROUND TO THE RESEARCH STUDY

A fundamental shift is occurring in the world economy. According to Hill (2003:4), “the world is rapidly moving away from a situation in which national economies are relatively self-contained entities isolated from each other by barriers, to cross-border trade and investment, over distance, time-zones, and language, and superseding national differences in government regulation, culture and business systems. The world is moving towards a situation in which barriers to cross-border trade and investment are crumbling, perceived distance is shrinking due to advances in transport and telecommunications technology. Material culture is starting to look similar the world over and national economies are merging into an interdependent global economic system”. This process is commonly referred to as globalization. Globalization has resulted in businesses, both large and small, from advanced nations as well as developing nations, expanding internationally.

Globalization can be defined as the shift towards a more integrated and interdependent world economy, fuelled by declining trade barriers and changes in communication, information and transportation technologies (Black, 1999:21). Hill (2003:6) states that globalization has two main components: the globalization of markets and the globalization of production. South Africa and other African countries
are part of these international trends, as they are extensively involved in the process of globalization. Vermeulen (2002:1) argues that South African companies are carving out a reputation for themselves amongst the world’s leading multinational companies. As an example, Table 1.1 illustrates how the South African Breweries became a global player.

Table 1.1: South African Breweries becoming a global brewer
(SABMiller plc, 2006:4)

<table>
<thead>
<tr>
<th>The beginning</th>
<th>Global growth begins</th>
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<tr>
<td>1895</td>
<td>1993</td>
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<td>Foundation of South</td>
<td>Uganda</td>
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<td>African Breweries</td>
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<td>and launch of Castle</td>
<td>Angola, China,</td>
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<td>Lager</td>
<td>Mozambique, Tanzania,</td>
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<td>Zambia</td>
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<td>Listing on the</td>
<td>Ghana, Slovakia</td>
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<td>London stock</td>
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<td>exchange</td>
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<td>Expansion into</td>
<td>Movement of primary</td>
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<td>Zimbabwe (formerly</td>
<td>listing to London</td>
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<td>Rhodesia)</td>
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<td>El Salvador, Honduras,</td>
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<td>strategic alliance</td>
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<td>with Castel Group</td>
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<td>in Africa</td>
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<td>2002</td>
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<td>Purchasing of Miller</td>
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<td>Brewing Company, USA</td>
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<td>2003</td>
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<td>Acquisition of Peroni,Italy</td>
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<td>2005</td>
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<td>Merger with Grupo</td>
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<td>Empresarial Bavaria,</td>
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<td>South America</td>
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<td></td>
<td>2007</td>
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<td></td>
<td>Distribution operations in over 60</td>
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<td>countries</td>
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Acquisitions in South Africa
1956 Ohlsson’s, Chandlers Union Breweries
1975-79 Old Dutch, Whitbreads, Swaziland breweries, beer interests of the Rembrandt Group – attaining 99% market share
Regional and product expansion
1978-82 Botswana, Lesotho and Swaziland
First acquisitions in Europe
1988 Compania Cercercera de Canarias in Canary Islands
1993 Dreher in Hungary

Once trapped within the confines of borders due to political isolation before 1994, South African companies are now ambitiously spreading their wings and finding new territories to bolster revenues and broaden market share. Africa is viewed as the last big investment opportunity, and it is big. The United Nations Economic Commission for Africa (UNECA) asserts that the average return on inward investment for Africa as a whole is four times that of the group of developed countries known as G-7 (Canada, Germany, France, Italy, Japan, United Kingdom and United States), and twice that of Asia (Shelley, 2004:11). The G-7 has since expanded to the G-8 with the inclusion of Russia.

There is increasing investment in Africa by South Africa. This trend is likely to increase in the foreseeable future. Examples of South African multinational organisations include: ABSA, Alexander Forbes, AngloGold, Engen, Holiday Inn, Illovo Sugar, MultiChoice, Old Mutual, Shoprite, South African Airways and
SABMiller. The trend of South African businesses expanding beyond their home territory is set to grow, especially considering successful small national operations led by entrepreneurial owner-managers who find the home market too small (Shelley, 2004:24).

Although globalization has opened opportunities for businesses to increase their revenue base by selling around the world and reducing costs by producing in countries where key inputs are cheap, going global is not without problems. Doing business in foreign countries has unique challenges. One of the most challenging aspects is international human resource management. According to Briscoe (1995:20), “international human resource management is increasingly being recognized as a major determinant of success or failure in international business”. Morley and Collings (2004:489) confirm that human resource management is a key concern in multinational corporations as managers of multinational corporations increasingly realize the importance of people management practices to ensure profitability and viability of their business operations. Stroh and Caligiuri (1998:1), through their research on 60 of the world’s top multinational organisations, found that the effective management of the people side of global business does increase global competitiveness.

Rugman and Hodgetts (2003:329) point out that three basic sources of human capital are available to procure staff for international businesses: parent country nationals (citizens of the home country of the international business working abroad), host country nationals (local citizens working for the international business in the host country) and third country nationals (citizens of a country other than either the home country or the host country working for the international business). Most multinational corporations rely on extensive use of parent country nationals (called expatriates for the purpose of this study) to staff their foreign operations in a host country. Expatriation, however, comes at a cost. The cost of sending a South African expatriate overseas on an international assignment was estimated at around R1 million per year in the year 2000 (Carell, Elbert, Hatfield, Grobler, Marx & Van der Schyf, 2000:163). In current June 2007 value (adjusted with the CPIX index), the equivalent value is R 1, 497, 000. Hawley (2005:2) mentions that the relocation cost
alone of an employee and his family to a foreign country can cost a company in the region of R 500,000.

While organisations may perceive expatriation as an attractive staffing strategy, they face the challenges of successfully managing an expatriate in a foreign country (host country). Breiden (2003:1) states that anecdotes and reports of professional sojourners struggling during their international assignments demonstrate that a transfer abroad can create substantial risks for the expatriate employee as well as for the multinational corporation. Hill (2003:612) and Özbilgin (2005:132) are of the opinion that a prominent issue in international staffing literature is expatriate failure. Multinational corporations are plagued by the persistent problem of significant rates of premature returns of expatriates. Although early return rates of expatriates vary significantly in different companies, in different industries, in different surveys and in different countries (Briscoe & Schuler, 2004:243-244) and the empirical foundation intensively debated by Harzing (1995:458), most literature on expatriate management suggests unacceptable levels of expatriate failure. Literature suggests that between 16 and 40 percent of American employees sent abroad to developed countries return from their assignments early and almost 70 percent of American employees sent to developing countries return home early (Black, 1999:11; Hill, 2003:612). In addition to the failure rates, 30 to 50 percent of the expatriates who stay at their foreign assignments are considered to be ineffective or marginally effective by their organisations (Hill, 2003:612; Usunier, 1998:93). Tung’s (1982:68) work suggests that US-based multinationals experience a much higher expatriate failure rate than either Western European or Japanese multinationals. According to Tung (1982:68), European and Japanese multinationals rarely experience expatriate failure rates above 10 percent. The reasons seem to be that Europeans have more exposure to different cultures and languages. In the case of the Japanese, the reason seems to be generally longer adjustment periods accommodated by longer foreign assignments (Briscoe, 1995:56). Naumann, Widmier and Jackson (2000:227) add another dimension to the high early return rates, by indicating that 25 percent of returned expatriates leave the parent company within one year of repatriation.

Virtually every publication on the topic defines and measures expatriate failure as the percentage of expatriates returning home before their assignment contracts expire.
Harzing (1995:458) argues that expatriate failure is more complicated than merely returning home before an international assignment contract has expired. He states that high labour turnover during or shortly after international assignments, and expatriates who fail to perform adequately, are (potentially) more damaging to the multinational organisation than those who return prematurely. Briscoe (1995:57) supports this view by stating that although expatriate failure is usually defined in terms of returning home earlier than a contract requires, or termination of employment during or shortly after a foreign assignment, it could also be defined in terms of:

- Poor quality performance in a foreign assignment.
- Personal dissatisfaction of the expatriate or the family with the international experience.
- Inability to adjust to local conditions.
- Not being accepted by the local nationals.
- Inability to identify and/or train a local successor.

Although in agreement with Harzing and Briscoe, the researcher has, for the purpose of this study, defined expatriate failure operationally as the premature return of an expatriate from a host country to the home country or labour turnover while on, or shortly after returning from, a foreign assignment.

In South Africa the full extent of the problem is difficult to determine as research houses, on behalf of individual organisations or specific industries, predominantly do most of the research on expatriate failure. The resulting information is confidential or is very expensive to acquire. However, Hawley (2005:1) states that between 25 and 40 percent of South African expatriate managers leave their international assignments early.

In the light of the above, expatriate failure is worth studying as it appears to influence the operations and cost effectiveness of multinational corporations. Literature indicates that a major cause of expatriate failure is related to adjustment problems experienced by the expatriate and/or the spouse and family (Briscoe, 1995:54; Hill, 2003:613; Tung, 1982:51). Factors contributing to the successful adjustment of an
The expatriate and his or her family in a foreign country are thus of great significance to multinational corporations. Black, Mendenhall and Oddou (1991:291) point out that the past decade has seen an increase in research on international adjustment. Unfortunately, most of the research focused on selective aspects of adjustment, while neglecting other important predictors of adjustment. By integrating the theoretical and empirical components of both the international and the domestic adjustment literature, a more comprehensive understanding of international adjustment may be gained. Such a comprehensive framework integrates job and organisational variables with individual and non-work variables as predictors of international adjustment.

Against this background this research study was undertaken to gain a more comprehensive understanding of the adjustment of expatriates on international assignments.

1.3 RATIONALE AND IMPORTANCE OF THE RESEARCH STUDY

The world’s leading multinational organisations have learned from bitter experience that procuring staff for foreign operations is a complex business. The cost of sending expatriates abroad is exorbitant, but worse still, the high percentage of expatriates who default on their contracts because of premature return to the home country or resignation during or shortly after the foreign contract, results in enormous cost to the organisation (Vermeulen, 2002:1). The statistics are so high that companies considering foreign expansion are very cautious. It is estimated that the total cost per failure to the parent company can be as high as three times the expatriate’s annual domestic salary, plus the cost of relocation, which in turn is affected by currency exchange rates and the location of the foreign assignment (Hill, 2003:612). Although different figures are put forward for different scenarios, Griffin and Pustay (2002:583) claim that the cost of expatriate failure to a multinational can vary from 40 000 US dollars to 250 000 US dollars, including original training costs, moving expenses and lost managerial productivity, but excluding the decreased performance of the foreign subsidiary itself. This means that if the process of expatriating an employee and his or her family goes wrong, it can be a woefully expensive mistake for the multinational corporation. Expatriate labour turnover, often falling in the range of 20 to 50 percent,
is far higher than equivalent domestic labour turnover (Mendenhall & Oddou, 1985:39). Labour turnover of expatriate employees worldwide costs American companies in excess of 2 billion US dollars a year. Furthermore, this figure does not include indirect losses in labour turnover such as lost sales, soured relationships, and loss of goodwill (Naumann et al., 2000:228).

In the light of the investment an organisation makes in an expatriate, and the high cost of premature return and labour turnover of expatriates, it is desirable that researchers identify the reasons for these failures. According to Black (1999), Hill (2003) and Tung (1987), the reasons for expatriate failure are:

- Inability of the spouse to adjust.
- Inability of the expatriate to adjust.
- Family-related problems.
- Expatriate’s personality and lack of emotional maturity.
- Inability to cope with the international job and heavier responsibilities in a foreign country.
- Difficulties with the new environment.
- Lack of motivation to work in a foreign country.
- Lack of technical expertise.

Research, to find the causes of poor adjustment, has focused mainly on three general issues:

- Selection of the "ideal" expatriate.
- Development of cross-cultural training programmes.
- Spouse or family issues.
  
  (Naumann, 1993a:62)

Black et al. (1991:291) argue that the above is true, but does not present a holistic picture. According to Black (1988:277), expatriate adjustment refers to the level of comfort a professional sojourner experiences during the stay abroad. Even though the adjustment of assignees has long been regarded as an all-encompassing concept, empirical support has been obtained to distinguish between three particular
Facets of adjustment: general adjustment, work adjustment and interaction adjustment (Black, 1988:277; Breiden, 2003:2). Black et al. (1991:291) argue that integrating job and organisational variables with individual and non-work variables as predictors of international adjustment should provide a comprehensive framework for international adjustment. The findings made in a number of subsequent studies have confirmed the multifaceted conceptualisation of expatriate adjustment and has suggested that some degree of interaction exists between work-related and non-work-related facets of adjustment (Shaffer, Harrison & Gilley, 1999:557).

Job attitudes are thought to play a key role in the labour turnover process. Domestic studies have generally found that job attitudes are negatively related to turnover, although this relationship is mitigated by intermediate links. Surprisingly, job attitudes which are important antecedents of turnover domestically, have received little attention in international research (Naumann, 1993a:62). Naumann (1993a:62) notes that given the large body of literature that has linked job attitudes to turnover domestically, it is unfortunate that the research examining expatriate job attitudes is almost non-existent, since there appears to be no obvious reason that the relationship between job attitudes and turnover should be weaker in an international context. Research has consistently indicated that a variety of job/task characteristics and organisational characteristics are directly related to employee attitudes and labour turnover (Bluedorn, 1982:135; Cotton & Tuttle, 1986:55). Therefore, according to Naumann (1993a:62), characteristics of expatriates’ jobs and organisations are likely to shape their work attitudes. Although a variety of unique international factors may incrementally influence job attitudes during a foreign assignment, many of the variables shaping job attitudes may be relevant for both a domestic as well as an international assignment. Studies by Lee (2005), Lee and Liu (2006; 2007) and Naumann et al. (2000) have identified a positive relationship between favourable job attitudes and the tendency to complete a foreign assignment and remain with the multinational corporation.

Research efforts to identify predictors of expatriate adjustment focus on individual and non-work variables. A more comprehensive view of international adjustment can be gained by integrating job and organisational variables with individual and non-work variables as predictors of international adjustment.
The aim of this research study is to investigate empirically the variables influencing expatriate managers' job attitudes and to examine the relationships between job attitudes and expatriate managers' intention to return prematurely or resign during or shortly after foreign assignments. The findings should provide a better understanding of the role of job and organisational variables in the expatriate adjustment process. The value of this study will be the identification of organisational best practices that could be used as a framework for solving the problem of job and organisational adjustment that lead to expatriate manager failure. The study will add further value by contributing to the issue of how little, in relative terms, is known about many of the mentioned concepts in the "international" as opposed to the "domestic" context.

The purpose of this study is to present the identified practices in an organisational best practice framework, to facilitate expatriate job and organisational adjustment.

The rationale behind this study is to investigate previous research findings that job satisfaction, organisational commitment and job involvement (together labelled job or work-related attitudes) are variables in the labour turnover process. Virtually all labour turnover models include job attitudes as predictors of the intention to quit (Naumann et al., 2000: 228).

1.4 PROBLEM STATEMENT AND HYPOTHESIS

The discussion of the background and the rationale of the study, contributes the following to the research problem:

- The early return and labour turnover rates of expatriates are high (Black, 1999; Hawley, 2005; Hill, 2003; Naumann et al., 2000; Özbilgin 2005).
- The costs of failed international assignments are substantial (Griffin & Pustay, 2002; Hawley, 2005; Hill, 2003; Naumann et al., 2000).
- Expatriate adjustment is a multifaceted process that is influenced by many variables (Black et al., 1991).
- Failure to adjust to the foreign country and international circumstances will lead to premature return or labour turnover (Hill, 2003; Tung, 1982).
Job attitudes, which are important antecedents of labour turnover, have received little attention in international research (Birdseye & Hill, 1995; Black et al., 1991; Lee, 2005; Naumann, 1993a; Naumann et al., 2000).

The above is condensed into the following feasible research questions:

- What is the relationship between job attitudes and expatriate managers’ intention to return prematurely from foreign assignments or to resign during or shortly after foreign assignments? and
- What specific aspects of job attitudes are perceived by expatriate managers as critical to their adjustment while on foreign assignments?

The research problem is stated as:

- If a negative relationship between job attitudes and expatriates’ intention to return prematurely from foreign assignments or to resign during or shortly after foreign assignments is established; and;
- If the specific factors of job attitudes that are perceived by expatriate managers as critical to their adjustment in foreign assignments are known; then;

[This is the unit of analysis and refers to the phenomenon the researcher wants to investigate.]

- It could be possible to identify those factors controlled by the multinational corporation, which would facilitate positive job attitudes amongst expatriate managers. If the findings provide sufficient information, the identified factors could be summarized in a framework of organisational best practice – enhancing expatriate managers’ job and organisational adjustment.

[This is the possible end result which the researcher wishes to achieve. This is the contribution of the research to the field of organisational behaviour.]

- Facilitating positive job attitudes could increase expatriates’ chances of completing their foreign assignments and reduce labour turnover, thus saving multinational organisations substantial costs.

[This is the practical value of this research to organisational society.]
The research problem is designed to examine the relationship between the independent variables: job satisfaction, organisational commitment and job involvement, and the dependent variable: the intention to leave a foreign assignment prematurely or the intention to resign during or shortly after a foreign assignment.

The Hypotheses guiding the research are:

\( H1^* \): A negative relationship exists between job satisfaction and the intention to return prematurely from a foreign assignment or to resign during or shortly after a foreign assignment.

\( H2^* \): A negative relationship exists between organisational commitment and the intention to return prematurely from a foreign assignment or to resign during or shortly after a foreign assignment.

\( H3^* \): A negative relationship exists between job involvement and the intention to return prematurely from a foreign assignment or to resign during or shortly after a foreign assignment.

*The rationale behind the hypothesised relationships is that they have been derived from existing theories that have already been established in previous research (See Bluedorn, 1982:135; Cotton & Tuttle, 1986:55).

Job satisfaction, organisational commitment and job involvement were measured by the researcher to determine their influence on expatriates' intention to return prematurely or intention to resign from international assignments. A causal relationship was assumed, as a variation in the dependent variable was expected if the independent variables changed. The direction of the relationship was assumed to be negative, as enhanced job attitudes were believed to reduce the intention to return prematurely or the intention to resign during or shortly after an assignment.

1.5 DEMARCATION OF THE RESEARCH STUDY

Domestic adjustment literature has focused on pre- and post-entry adjustment variables, especially those related to the job and the organisation, and the mode and degree of adjustment, whereas the international adjustment literature has focused on
individual and non-job variables and on the degree of adjustment. A more comprehensive understanding of international adjustment can be gained by integrating both literatures rather than by simply extrapolating from the domestic adjustment, or only relying on the extant cross-cultural adjustment literature (Black et al., 1991:291).

This research study focused on the job and organisational variables as predictors of international adjustment only, as the aim was to identify the factors controlled by the organisation that could predict expatriate adjustment. A search on the NEXUS database system for current and completed South African research, revealed no records of any South African research directly related to the focus of this study (Online database, accessed on 15/2/2005).

The literature reviewed by Naumann et al. (2000:228) indicated that both job/task and organisational characteristics are significantly related to adjustment to a work environment. The amount of energy spent studying job attitudes is implicitly based upon the idea that satisfied workers, at all organisational levels, are important contributors to an organisation's efficacy and ultimately to long-term success. Conversely, dissatisfied workers are implicitly thought to make a smaller contribution to the organisation. According to this logic, one of the major areas of behavioural research has focused on the relationship between job attitudes and employee labour turnover.

Naumann (1993a:62) argued that although domestic literature has vigorously investigated the role of job attitudes in the labour turnover process, the role of job attitudes of expatriates appears to be a major shortcoming in expatriate labour turnover research. This is surprising as there is no reason to believe that the role of job attitudes will be any different in an international corporation from that in a domestic corporation. Three job attitudes seemed appropriate for investigation, as they have received much attention in labour turnover research: job satisfaction, organisational commitment and job involvement. The mediating role of job satisfaction, organisational commitment and job involvement borrows from the labour turnover model developed by Bluedorn (1982:135). The model posits that organisational, job-related and person-related variables are predictors of job
satisfaction, organisational commitment and job involvement, and these variables in turn are related to the propensity to leave. The intention to leave/quit is a chief determinant of labour turnover. Since job satisfaction, organisational commitment and job involvement appear to interact in determining intention to leave (Newstrom & Davis, 1997:262), it seems that insight into these three job attitudes can contribute significantly to a more comprehensive understanding of the adjustment process of expatriates.

Figure 1.1 is a schematic integration of both anticipatory and in-country literatures regarding adjustment. The highlighted section indicates *the focus of this study* within this comprehensive framework.

<table>
<thead>
<tr>
<th>Anticipatory adjustment</th>
<th>In-country adjustment</th>
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<td><strong>Individual</strong></td>
<td><strong>Individual skills</strong></td>
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<td>➢ Previous experience</td>
<td>➢ Self orientation</td>
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<td>➢ Accurate expectations</td>
<td>➢ Other orientation</td>
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<tr>
<td>➢ Selection profile</td>
<td>➢ Perceptual skills</td>
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<tr>
<td>➢ Family support</td>
<td>➢ Cultural toughness</td>
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<tr>
<td><strong>Organisational</strong></td>
<td><strong>Organisational</strong></td>
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<tr>
<td>➢ Selection mechanisms and criteria</td>
<td>➢ Organisational culture</td>
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<td>➢ Training and support</td>
<td>➢ Social support</td>
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<td></td>
<td>➢ Logistical assistance</td>
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<td></td>
<td>➢ Socialisation</td>
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<tr>
<td><strong>Non-working</strong></td>
<td><strong>Job/Task characteristics</strong></td>
</tr>
<tr>
<td>➢ Spouse and family</td>
<td>➢ Challenging work</td>
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<td>➢ National culture</td>
<td>➢ Opportunities for growth</td>
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<td></td>
<td>➢ Role clarity</td>
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<td></td>
<td>➢ Relationships with co-workers</td>
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<td></td>
<td>➢ Remuneration</td>
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*Figure 1.1: Demarcation of the research study*
This study will be based upon the perceptual data on adjustment of expatriates as reported by respondents. The issue of non-work variables, individual variables and expatriate selection and training were not examined, as these variables have been extensively researched by other South African researchers.

The scope and process of the research is stated in the following Figure 1.2:

**Figure 1.2: Scope and process of the research study**

As seen, the study is built on an established body of literature relating to employee labour turnover. Relationships specified for job satisfaction, organisational commitment and job involvement are well established areas in domestic research. The objective is to investigate these elements within an international framework.
1.6 OBJECTIVES OF THE RESEARCH STUDY

The primary objective of the study is:

- To investigate empirically, variables influencing expatriate managers’ job attitudes; and
- To examine statistically, the relationships between job attitudes and expatriate managers’ intention to return prematurely from a foreign assignment or to resign during or shortly after a foreign assignment.

The secondary objective of the study is:

- To propose a framework of organisational best practice that will encourage positive job attitudes of expatriate managers on international assignments. Organisational practices that focus on fostering positive work attitudes should improve the probability of adjustment during foreign assignments, thereby reducing the risk of expatriate failure. The framework should be a guideline and be employed as a control mechanism for South African companies during the adjustment phase of expatriate managers on foreign assignments.

The results of the study would contribute to the international human resource management body of knowledge and could lead to substantial operational improvements and cost saving for multinational and global corporations, because expatriate failure rates should decrease.

1.7 THEORETICAL MILIEU OF THE RESEARCH STUDY

When comprehension of a phenomenon is sought, a proposition is needed as a point of departure for the research. Section 1.7 serves as the point of departure for this research study. A synopsis of the literature regarding globalization and internationalisation, staffing policies in international human resource management, expatriation and adjustment on foreign assignments will be supplied and the job attitudes relevant to the study will be operationally defined. A more comprehensive discussion of the relevant job attitudes will follow in chapter 2.
In order to provide the reader with a route map through the literature reviews in section 1.7 and chapter 2, herewith an introduction to the propositions to be tested:

- Expatriation is a favourite but expensive staffing strategy in internationalisation.
- Expatriate failure is of great concern for multinational corporations.
- Expatriate failure could be attributed to international adjustment problems.
- A comprehensive understanding of international adjustment can be gained by integrating job and organisational variables; and individual and non-work variables.
- Job attitudes provide clues to an employee’s behavioural intentions or inclinations to act in a certain way.
- Specific aspects of job satisfaction, organisational commitment and job involvement facilitate positive job attitudes.
- Job satisfaction, organisational commitment and job involvement play a key role in the labour turnover process.
- The behavioural intention to leave or stay seems to be the strongest predictor of actual labour turnover.
- The negative relationship specified between job satisfaction, organisational commitment, job involvement and the intention to leave are well established.

1.7.1 Globalization and internationalisation

Rapid changes are occurring in the global economy. National economies are becoming integrated into a single, global economic system. In today’s economic environment, corporations are realizing that, to grow, they are obliged to expand their operations to foreign countries. For business this, in many ways, is the best of times. Globalization has increased the opportunities for organisations to increase their profits by selling around the world (globalization of markets) and reduce costs by producing in nations where key inputs are cheap (globalization of production). Successful international assignments seem to benefit the organisations’ reputation and increase profits (Hill, 2003:5, 31). However, managing an international business is very different from managing a domestic business for at least four reasons: (1) countries are different; (2) the range of problems that confront a manager in an international business is wider and the problems themselves more complex than
those that a manager has to confront in a domestic business; (3) managers in an international business must find ways to work within the limits imposed by governments' intervention in the international trade and investment system; and (4) international transactions involve converting money into different currencies (Hill, 2003:31).

Firms progress through five stages as they internationalise their operations: (1) domestic operations; (2) export operations; (3) subsidiaries or joint ventures; (4) multinational operations; and (5) transnational operations. The more advanced the stage, the more human resource management practices need to be tailored to suit diverse cultural, economic, political and legal environments (Briscoe, 1995:23-31; Gomez-Mejia, Balkin & Cardy, 2001:556-558). Firms use four basic strategies (refer to Figure 1.3) to enter and compete in the international environment: an international strategy, a multidomestic strategy, a global strategy and a transnational strategy. Each of these strategies has its advantages and disadvantages. The appropriateness of each strategy varies depending on the extent of pressures for cost reduction and local responsiveness (Black, 1999:21; Hill, 2003:422).

![Figure 1.3: Four basic strategies (Hill, 2003:422)](image)

Both globalization and internationalisation have increased the demand for individuals who can function effectively in a foreign environment (Katz & Seifer, 1996:1). According to Malmqvist (2004:26), the mobility of individuals all around the world involves substantial financial and managerial commitment. This investment in human
resources (expatriates) needs to be secured. The process of procuring sufficient human resources is labelled international human resource management. Rugman and Hodgetts (2003:329) define international human resource management as the process of selecting, training, developing and compensating personnel in international positions.

1.7.2 International human resource management (IHRM)

Scullion (in Morley & Collings, 2004:489) comments that international human resource management can be viewed “as the human resource management issues and problems arising from the internationalisation of business, and the human resource management strategies, policies and practices which firms pursue in response to the internationalisation of business”. Although the strategic role of human resource management is complex in domestic firms, it is even more complex in international business. Staffing, training and development, performance evaluation and compensation are complicated by profound differences between countries in their labour markets, culture, legal systems, economic systems, etc. Building a team of employees who can function successfully in multinational organisations requires the human resource management function to deal with a host of issues not typically encountered in domestic settings. According to Briscoe (1995:10-12), Dowling and Welch (in Morley & Collings, 2004:489), international human resource management differs from its domestic counterpart in terms of:

- Being responsible for a larger number of functions and activities. Examples could be international taxation, international relocation, host government relations and language translation services.
- Requiring a broader perspective.
- Becoming more involved in employees’ lives.
- Having to change emphasis as the employee mix of parent and host country nationals varies according to different locations and over time.
- Experiencing more exposure to problems and difficulties.
- Coping with diverse external influences.
- Having to accommodate new complexities in decision-making.
Many of the problems encountered by multinational organisations are related to the human resource management department. Success requires human resource management policies and procedures to be congruent with the firms’ international strategy as well as the formal and informal structures and controls. Staffing policies, training and development programmes and compensation practices must, therefore, be aligned with the firms’ international strategy (Hill, 2003:606-607). Briscoe (1995:41) also emphasises the importance of integrating international human resource management into the strategic management of the multinational corporation. An important component of such integration involves global planning for manpower needs.

Table 1.2 indicates the appropriate staffing policy for each international strategy.

**Table 1.2: Comparison of the three major staffing policies (Hill, 2003:611)**

<table>
<thead>
<tr>
<th>Staffing policy</th>
<th>Strategic fit</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnocentric</td>
<td>International</td>
<td>➢ Overcomes lack of qualified managers in host nation&lt;br&gt;➢ Represents one culture&lt;br&gt;➢ Helps transfer core competencies</td>
<td>➢ Produces resentment in host country&lt;br&gt;➢ Can lead to cultural myopia</td>
</tr>
<tr>
<td>Polycentric</td>
<td>Multi-domestic</td>
<td>➢ Alleviates cultural myopia&lt;br&gt;➢ Is inexpensive to implement</td>
<td>➢ Limits career mobility&lt;br&gt;➢ Isolates headquarters from foreign subsidiaries</td>
</tr>
<tr>
<td>Geocentric</td>
<td>Global and transnational</td>
<td>➢ Uses human resources efficiently&lt;br&gt;➢ Helps build strong culture and informal management network</td>
<td>➢ National immigration policies may limit implementation&lt;br&gt;➢ Expensive</td>
</tr>
</tbody>
</table>
1.7.3 Staffing policies in international human resource management

Staffing policies are concerned with the selection of employees for particular jobs. On one level, this involves selecting individuals who have the skills to do particular jobs, while on another level it is a tool for developing and promoting organisational culture. Organisational culture is defined as a system of shared actions, values and beliefs that develops within an organisation and guides the behaviours of its members (Schermerhorn, Hunt & Osborn, 1997:267). The staffing responsibilities for firms that operate in a multinational environment are very complex. According to Hill (2003:609), three major types of staffing policies exist in international businesses: ethnocentric, polycentric and geocentric (see Table 1.2). Hodgetts and Luthans (2003:483-484) support the three policies mentioned by Hill (2003:609), but add a fourth: regiocentric.

When businesses go global, determining the optimal mix of host-country employees and parent-country employees becomes a critical staffing issue. In managing its overseas subsidiaries, a business can select an ethnocentric, polycentric, geocentric or regiocentric staffing policy. Two staffing policies in international management – the ethnocentric (all key management positions are filled by parent-country nationals) and the geocentric (the best people for key jobs are sought throughout the organisation, regardless of their nationality) – rely on extensive use of expatriate managers (Dessler, 2000:622; Gomez-Mejia et al., 2001:558-559). A polycentric staffing policy requires host-country nationals to be recruited to manage subsidiaries, while parent-country nationals occupy key positions at corporate headquarters (Hill, 2003:610). The regiocentric policy relies on local managers from a particular geographic region to handle operations in and around that area (Hodgetts & Luthans, 2003:484).

An expatriate is an employee who is not a citizen of the country in which the firm is located (host-country), but is a citizen of the country in which the organisation is headquartered (parent country) (Gibson, Ivancevich, Donnelly & Konopaske, 2006:76; Hill, 2003:607; Mondy, Noe & Premeaux, 1999:625; Schermerhorn et al., 1997:32).
The main reasons for using expatriates are:

- Co-ordination and control.
- Transmission of corporate culture (values).
- Transfer of technology.
- Development and transfer of organisational capabilities.
- Organisational learning enhanced.
- Management development.

(Carell et al., 2000:162; Hill, 2003:612-613)

According to Torbiorn (in Furnham, 2004:651), multinationals have three basic motives when posting expatriates to foreign countries:

- The control function (to ensure that operations in other countries are being carried out as planned and to build staff loyalty).
- The know-how function (to provide technological and administrative services).
- The contact/coordination function (to evaluate and transmit salient information between company operations).

Thus, business expatriates have a difficult role because they are required to act in accordance with the expectations of the parent company as well as fulfil local expectations. The two are often incompatible. Problems with these professional roles include unclear, ambiguous or even incompatible expectations on the part of the parent company, communication difficulties, a clash between company and personal interests and values, uncertainty about the future, and problems with adjustment of spouse and family. Collings, Scullion and Morley (2007:199) confirm that the literature highlights a number of well-articulated advantages associated with the deployment of expatriates in the staffing of international subsidiaries and operations. Added to the advantages already mentioned above, a benefit is utilizing people known to the organisation, who have already built a level of trust with the owners. This established relationship addresses issues that result from the separation of ownership and management.
1.7.4 Expatriation

Katz and Seifer (1996:1) are of the opinion that the demand for individuals who are able to function abroad successfully continues to increase as more and more organisations move outside domestic borders to do business in the international arena. Toh and DeNisi (2005:132) also report that multinational companies’ need for expatriate assignments shows little sign of abating. According to Morley (2004:359), this situation forces organisations to determine the meaning, the value and the significance of the international assignment for both the organisation and the expatriate. This will lead to more effective management of the expatriate assignee.

Maintaining an expatriate is clearly a costly and complicated process. This cost will vary depending on the inconvenience to the employee, distance from the home country and family obligations. Expenses for relocation may include bonuses for inconvenience, education for children, visits back home and additional expenses to maintain a standard of living equal to home (Carell et al., 2000:163). If the expatriate fails in the assignment, the exercise becomes even more costly. Losses and damages resulting from expatriate failure are both direct and indirect. According to Collings et al. (2007:203), direct costs include salary, training costs, and travel and relocation expenses. Indirect costs include the soured relationship with host country organisations and loss of market share. Indirect costs are considered the most significant costs by multinationals as a tarnished reputation in key strategic foreign markets can be extremely detrimental to developing a successful international business. Toh & DeNisi (2005:132) add the following indirect costs: loss of business and productivity, damage to relationships with other employees, customers, suppliers and host government officials, as well as the financial and emotional costs borne by the expatriate and his or her family. The cost involved in a failed international assignment can cost a South African multinational corporation between R 500,000 and R 2,000,000, depending on the expatriates’ salary and whether family transfers were involved (Hawley, 2005:2). Failure will incur hidden costs and have an effect on the self-esteem and family situation of the expatriate. Future performance may be severely affected by the failed foreign assignment (Carell et al., 2000:299).
International expatriate failure rates correlate well with South African experiences. Hawley (2005:1) claims that between 25 and 40 percent of South African expatriate managers who are given foreign assignments, end these assignments early, and as much as 50 percent of those who do not return early, function at low levels of efficacy. According to PSG International Compensation (2002), the percentage of South African expatriates who return prematurely from their international assignments is 23 percent. Although more recent statistics for the South African situation could not be found by the researcher, a telephonic conversation with Kevin Hawley, Managing Director of Expatriate Preparation, on 2005-02-16 confirmed that there is no indication that the situation has improved dramatically.

It is clear that although expatriate assignments do offer a number of potential benefits, expatriation is a costly process. It is thus imperative that expatriate assignments are managed effectively. This explains why there are numerous studies on expatriate failure. According to Collings et al. (2007:209), the challenges associated with international assignments have resulted in international assignments gaining a degree of critical attention from scholars in the field. It is argued that international organisations and academics need to take a more strategic and holistic view of expatriate management.

The last decade has seen some significant changes in the patterns of global staffing. There appears to be a steady increase in the use of women in international assignments (Tung, 2004:243), an influx of dual-career couples into the potential expatriate candidate pool (Harvey & Buckley, 1998:118) and an increase in alternative forms of international assignments, although there are still a large number of traditional expatriates employed in multinational corporations (Scullion & Brewster, 2001:353). Collings et al. (2007:205-207) identify the following alternative forms of international assignments: short-term international assignments, international business travellers, commuter and rotational assignments and global virtual teams.

Swaak (1995:47) asserts that over 90% of the respondents in a survey cited failure to adjust as the key reason for expatriate failure. This correlates with studies done by Tung (1982). Tung asked her sample of multinational managers to indicate reasons for expatriate failure. Consistently problems related to adjustment were cited.
According to Tung (1982:60), these reasons were prevalent among United States, European and Japanese multinationals. Hill (2003:613) states that since Tung’s studies a number of other studies have confirmed that adjustment problems remain the major reason for the continuing high levels of expatriate failure. Hawley (2005:2) indicates that similar findings are true for South African expatriates.

Louis (1980:226) discusses the changes, contrasts, and unexpected events during an international assignment of which expatriates must make sense. Expatriates will need to make sense of not only the new organisational facility, but also of the foreign country. The host country may compare favourably to the expatriate’s home country, but have different political, economic and monetary systems, a different language, and different norms and standards of behaviour. Expatriate job assignments require adaptation to multiple environments.

Difficulties in expatriate adjustment are related not only to cultural differences, but also to a diffuse feeling of loss in the absence of the familiar home-country habits and context ("homesickness"). Research suggests that the most common reasons for expatriate failure is career blockage, culture shock (the inability of a manager’s spouse to adjust to a foreign environment and the manager's own inability to adjust to a foreign environment), lack of pre-departure training, overemphasis on technical qualifications instead of personal abilities and family problems (Gomez-Mejia et al., 2000:561-563).

As the major role player in expatriate failure seems to be adjustment, a critical task for multinational and global organisations is to manage the adjustment process of expatriates efficiently.

### 1.7.5 U-curve theory of adjustment

The U-curve framework has been used to describe the cross-cultural adjustment process of expatriate employees within a host culture. The U–curve theory (UCT), depicted in Figure 1.4, includes the following four stages: honeymoon, culture shock, adjustment, and mastery stage.
The **honeymoon stage** occurs during the first weeks after arrival in the host country. Individuals are fascinated by the new and different culture. It is a period of fascination – all the different aspects of the new culture are viewed with interest and curiosity. The first reaction to a new culture is generally a positive one.

When the newcomers start to cope with the real conditions on a daily basis, the second stage begins - the **culture shock stage**. This stage is characterized by frustration and hostility towards the host nation and its people. Culture shock refers to the frustration and confusion, that results from being constantly subjected to strange and unfamiliar cues about what to do and how to get it done. The culture shock does not occur during the early days of the trip. Thus, while many assignments begin positively, the experience soon becomes negative. To be successful the expatriate has to cope effectively with the culture shock. It is a period in which the manager may miss the familiar surroundings of the home office. Simple daily events can fuel stress and dissatisfaction. Being denied access to a favourite snack food or leisure activity because it is unavailable in the host country, for example, can become extremely frustrating. Usunier (1998:89) argues that expatriates experience a loss of oral pleasure because of the absence of their native language and eating and drinking habits in the host country. This affects the overall
satisfaction with the expatriate experience negatively. Inability to cope with the culture shock will inevitably lead to expatriate failure.

In the **adjustment stage** the individual gradually adapts to the new norms and values of the host country therefore the individual is able to act more appropriately than before.

Finally, the **mastery stage** is reached in which the individual is able to function effectively in the new culture. By this stage the expatriate has made reasonable adjustments to the new culture and is able to deal effectively with it. Although this stage seldom reaches the same heights of excitement as the fascination stage, a successful transition implies that the expatriate operates at manageable levels of a normal lifestyle.


**1.7.6 Factors influencing expatriate adjustment**

To get the highest return from the huge investment in expatriate employees, an employer has to maximize the potential for expatriate success. Morley and Flynn (2003:43) assert that expatriates’ experiences are impacted by various aspects when they are on international assignments. While several issues are at play during an international assignment, a commonly identified cause of expatriate failure in nearly all literature has been the inability to adjust to the new environment and job by the expatriate and his/her family. Thus, one of the most challenging issues facing international human resources management is managing the successful adjustment of expatriates and their families.

Yavas (2001:61) defines adjustment as “a subjective/psychological state that refers to the changes which individuals actively engender or passively accept in order to achieve or maintain satisfactory states within themselves”. Cross-cultural adjustment has been defined as “the degree of psychological adjustment experienced by the individual or the degree of comfort, familiarity, and ease that the individual
experience towards the new environment”. Expatriate adjustment (literature also refers to acculturation or adaptation) is a form of cross-cultural adjustment.

Empirical studies in which the international adjustment of expatriate managers was investigated revealed six components of the cross-cultural adjustment process: (a) organisational selection mechanisms; (b) previous overseas experience; (c) training and support programmes; (d) individual skills; (e) non-work factors; and (f) job and organisational factors. The first three dimensions describe issues that exist before expatriates leave their home countries. The remaining three, together with training and support programmes, deal with issues that become relevant after the expatriates arrive at their foreign assignments (Gibson et al., 2006:76-81; Lee, 2005:275).

Hawley (2005:1-2) is of the opinion that successful expatriate contracts start with the selection process. Selection of expatriates does not solely depend on technical competence, but rather on having the profile required to handle a tough assignment. Gibson et al. (2006:76) list the factors that increase the expatriate’s chance for success as: strong desire to work overseas, knowledge of overseas culture, well-adjusted family situation, complete support of spouse and behavioural flexibility. According to Mendenhall and Oddou (1985:39), four other relevant dimensions that are often related to successful expatriate acculturation, (and should therefore be included in the expatriate selection profile), are: (a) self-orientation, (b) other-orientation, (c) perceptual skills and (d) cultural toughness. Mendenhall and Oddou (1985:39) recommend a multidimensional approach to the selection of expatriates’ that could link behavioural tendencies to positive overseas performance.

Punnett (1997:243) points out that an organisation could enhance the chances of expatriate success by including the spouse in the expatriate process. Substantial research has indicated that spouses are particularly important to the success of the expatriate process. Copeland and Norell (2002:255) state that expatriation can be especially stressful for accompanying spouses, due to competing family responsibilities, social isolation, socio-political constraints, and changes in their social and/or work status. Brewster and Pickard (1994:2) declare that it is often the spouse’s failure to adjust that leads to the early termination of a foreign assignment. Although the role of the spouse is thoroughly debated in literature it seems as if
many organisations still make assumptions about the spouse’s willingness to follow. Furthermore, it is known that family life-styles are changing and that the number of dual-career couples is increasing (Harvey & Buckley, 1998:99). Statistics of failed contracts in South Africa indicate that a major percentage (up to 80 percent) of the failures can be attributed to reasons related to the spouse (Hawley, 2005:2). It is thus crucial to include a profile of a suitable spouse in the selection process.

According to Gibson et al. (2006:79), once the groundwork for a successful overseas assignment has been laid by choosing expatriates with characteristics associated with expatriate success, the next step is to train and prepare these managers properly for their upcoming assignments. A study by Black and Mendenhall (Brewster & Pickard, 1994:2) found a positive correlation between cross-cultural training and the development of appropriate perceptions towards members of another culture. Training correlates positively with adjustment and there is a positive relationship between thorough preparation and expatriate performance.

Although the value of training has been debated in literature it seems that many expatriates receive no training before they are sent on a foreign assignment and no support while they are on a foreign work assignment (Hill, 2003:617). This view is shared by Toh and DeNisi (2005:132). They found that multinational corporations had a poor record regarding the provision of training for expatriates and their families.

Usunier (1998:92) maintains that when reviewing the modalities of adjustment, it is imperative to identify two main categories: those relating to personal and family life (personal adjustment), and those relating to work and job assignment (work role adjustment).

A recent study by Lee (2005:273) found significant evidence of the important role of job satisfaction. This research concludes that expatriates who are satisfied with their jobs in the host country are likely to adjust more effectively. This study also reveals that job satisfaction during the foreign assignment is a strong predictor of adjustment. Lee (2005:273) adds that expatriate adjustment is enhanced by a high degree of organisational socialization in the host country. Research by Naumann et
al. (2000:227) also indicates a positive relationship between favourable work attitudes and the tendency to complete a foreign assignment.

According to Black et al. (1991:291), a comprehensive understanding of international adjustment can be gained by integrating job and organisational variables; and individual and non-work variables. Figure 1.5 represents a comprehensive theoretical framework for international adjustment.

![Framework of international adjustment](Black, Mendenhall and Oddou, 1991:303)

Research on domestic work assignments has consistently indicated that a variety of job/task characteristics and organisation characteristics are related to employees’ job attitudes. Characteristics of expatriates’ jobs and organisations are also likely to shape job attitudes during foreign assignments. Although a variety of unique international factors may incrementally influence job attitudes, many of the variables
shaping job attitudes may be the same domestically and internationally (Naumann, 1993a:153). Black (1999:280) confirms the role of job factors in adjustment. Role novelty, role ambiguity, role conflict and role overload are considered adjustment-inhibiting factors that increase the uncertainty, unfamiliarity, unpredictability and uncontrollability of the new work role.

Similar to other frameworks in which the relationship between individuals and various types of settings have been identified, the model of expatriate adjustment rests on the assessment of correspondence between individuals and their respective environments (Breiden, 2003:6). The value of unpacking the concept of adjustment and presenting it as a multi-dimensional concept is confirmed by a study conducted by Morley and Flynn (2003:53).

Expatriate adjustment does not end here. Gibson et al. (2006:81) point out that the final phase of adjustment occurs when the expatriate returns to the parent country. The process of being re-integrated into domestic operations is referred to as repatriation. And although it may seem straightforward, repatriation can cause culture shock similar to the shock that occurred when the expatriate originally went overseas. Some critical issues that repatriation training has to deal with are: financial management, re-entry shock and career management. Briscoe and Schuler (2004:65) opine that because repatriation can be as difficult as expatriation, it is as important to manage the repatriation process effectively.

Having successfully adjusted, expatriates find expatriation a developmental experience and report having gained tangible skills that add value to their organisations (Lee, 2005:274). If adjustment is neglected, adjustment problems manifest in stress inside and outside of an expatriate’s professional life and lead to an intention to leave the assignment prematurely or to quit the organisation (Yavas, 2001:60).

1.7.7 Job attitudes

Thousands of attitudes exist, but for the purpose of this study the focus will be on work-related attitudes/ job attitudes only. (See the reason for this decision in section
Job attitudes as predictors of labour turnover have been the focus of extensive research. Job attitudes are a central element in virtually all labour turnover models. Conceptual and empirical studies have generally found that job attitudes are negatively related to turnover, although the relationship is moderated by intermediate linkages (Naumann et al., 2000:230). Three job attitudes have received much attention in turnover research: job satisfaction, organisational commitment, and job involvement.

What follows is a short discussion of the above three attitudes. A more detailed discussion will appear in chapter 2 of the research report. It is critical to clarify the operational definitions of these job attitudes as they are the variables under investigation. The operational definitions give a precise indication of what the fundamental characteristics of the attitudes are and also indicate how to measure and observe them in order to identify them.

**Job satisfaction** may be defined as “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences” (Schermerhorn et al., 1997:98). Job satisfaction can be viewed as an overall attitude or it can be viewed as being multidimensional. For the purpose of this study job satisfaction is viewed as multidimensional. The elements of job satisfaction are classified as: (a) those directly related to job content and (b) those that are part of job context (Newstrom & Davis, 1997:258). The most commonly known five facets of job satisfaction as measured by the Job Descriptive Index are:

- The job itself – responsibility, interest and growth.
- Quality of supervision – technical help and social support.
- Relationships with co-workers – social harmony and respect.
- Promotion opportunities – chances for further advancement.
- Pay – adequacy of pay and perceived equity.

(Schermerhorn et al., 1997:99)

**Organisational commitment** (loyalty) refers to an employee's belief in the organisation's goals and values, desire to remain a member of the organisation and loyalty to the organisation. While job satisfaction may be subject to significant short
term variation, organisational commitment is typically more stable and enduring (Newstrom & Davis, 1997:259).

**Job involvement (dedication)** is defined as the extent to which individuals identify psychologically with their jobs. It is suggested that, for individuals who display high job involvement, their jobs are important to their self-image because these individuals identify with, and care about, their jobs. Job involvement is more stable and enduring than organisational commitment (Newstrom & Davis, 1997:259).

Attitudes are reasonably good predictors of behaviour. They provide clues to an employee’s behavioural intentions or inclinations to act in a certain way. Positive job attitudes help to predict constructive behaviour while negative job attitudes help to predict undesirable behaviour (Newstrom & Davis, 1997:260).

### 1.7.8 Work-related attitudes as predictors of expatriate adjustment

Neglecting the role of job attitudes in the expatriation process appears to be a major shortcoming of expatriate labour turnover research. Naumann (1993a:56) claims that only a few researchers have linked these attitudes to either withdrawal intentions or actual labour turnover.

Research that was done by Babakus, Cravens, Johnson and Moncrief (1996:33) found that job satisfaction that was related to an intention to leave was preceded by role conflict and role ambiguity. Babakus and his colleagues also found a significant relationship between a lack of organisational commitment and the intention to leave. In addition to the attitudes; job satisfaction and organisational commitment, job involvement has been proved in management literature to be a determinant of the intention to leave (Naumann *et al.*, 2000:229).

Since job satisfaction, organisational commitment and job involvement appear to predict the tendency to leave a foreign assignment early or resign from a multinational corporation these three attitudes will be investigated further in the next chapter.
1.8 CHAPTER LAYOUT

The reporting of the research study is organised in the following manner:

- **Chapter 1: The problem and its setting**
  The problem and its setting will include the background to the study, the rationale behind and importance of the study, identification of the research problem and hypothesis, the demarcation of the study, the objectives of the study and the theoretical milieu of the study.

- **Chapter 2: Literature review**
  The literature review will include operational definitions and relevant information regarding job satisfaction, organisational commitment and job involvement. Relevant research will be cited and commented upon while the relationship between job attitudes and the intention to leave, and actual labour turnover will be investigated.

- **Chapter 3: Rationale of the research design and method**
  The chosen research design and methods will be discussed as well as the reasons for selecting this design and methods. The discussion will include the research approach, type of research design, the measuring instrument, sampling, data management and analysis as well as the validity of the chosen design and methods.

- **Chapter 4: Research methodology**
  The methodology section will include a description of the respondents and the methods chosen for sampling, data management, data analysis and data interpretation. The reliability of the measuring instrument will also be discussed.

- **Chapter 5: Results and findings**
  The results section will constitute a discussion on the findings as derived from the data analysis. The main results following from the data analysis will be presented here through tables, graphs and diagrams.
Chapter 6: Discussion of the findings

The discussion will include a summary of the findings, an interpretation of these findings, a proposed framework of organisational practices to facilitate positive job attitudes of expatriates, conclusions and generalization of the research findings.

Chapter 7: Final conclusions and recommendations

The research process will be reviewed and limitations will be identified. The contribution of the study and the implications for South African multinational corporations will be discussed. Suggestions and recommendations will be made for future research in this final chapter.

Appendix

An example of the measurement instrument will be included.

1.9 SUMMARY

This chapter sets the scene for the rest of the research report. As the world economy becomes more global, globalization presents international human resource management challenges to the organisation such as high failure rates and high labour turnover rates during international assignments. This situation brings the following researchable project to the field of organisational behaviour: “to investigate empirically, variables influencing expatriate managers’ job attitudes and to examine the relationships between job attitudes and expatriate managers’ intention to return prematurely or resign during or shortly after foreign assignments. The findings will provide a better understanding of the role of job and organisational variables in the expatriate adjustment process. The study will add value as the findings will be used to identify organisational best practice to solve the problem of expatriate failure”.

The researcher has indicated that although adjusting to a foreign assignment is a holistic process, an important aspect to facilitate adjustment is to instil positive job attitudes. The research project explores this under-researched aspect of expatriate adaptation. The topic area is thus expatriate adjustment. The general problem is the high failure rate and high labour turnover rate during international assignments while
the specific research question is the relationship between job attitudes (job satisfaction, organisational commitment and job involvement) and an expatriate’s intention to return prematurely or resign during or shortly after the foreign assignment.

In chapter 2, the theoretical foundation of the independent variables: job satisfaction, organisational commitment and job involvement, and the dependent variable: the intention to return from a foreign assignment prematurely or the intention to quit will be discussed. Previous related research will also be cited and commented upon, and the relationship between the variables will be investigated.