GUIDELINES FOR THE PREPARATION OF EXPATRIATES ON INTERNATIONAL ASSIGNMENTS IN SOUTH AFRICAN MULTINATIONAL ENTERPRISES

by

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Submitted in fulfilment of the requirements for the degree

DOCTOR COMMERCII (BUSINESS MANAGEMENT)

in the

FACULTY OF ECONOMIC AND MANAGEMENT SCIENCES

at the

UNIVERSITY OF PRETORIA

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PRETORIA NOVEMBER 2005
ACKNOWLEDGEMENTS

I would like to thank the following people and enterprises, without whose help and support this research would not have been possible.

- To all the South African MNEs who were willing to participate in this study, while it was so easy for others to just say no, thank you very much.

- Solly Millard and Jaqui Sommerville from the Department of Statistics at the University of Pretoria, for their help and guidance in the preparation of the questionnaire and the analysis and interpretation of the data.

- My promoters, Prof. Piet de Wit and Prof. Jurie van Vuuren for your support, guidance and motivation throughout the study period. Thank you for sharing your knowledge with me.

- My parents, Jako and Anne-Marie Vögel, who have throughout my life encouraged and motivated me to excel in everything that I have attempted and done. I am just sorry that I was not able to complete this DCom degree while my father was still alive, as it was one of his dreams for me to complete this degree.

- To my girlfriend, Marizelle Venter for all the love, support and words of encouragement during this study. I really appreciate all that you have done for me.

- Last and the most important, our Father in heaven who has through His love and grace given me the strength and ability to do this research and who has guided me through the difficult times during the research.

Dedicated to:

J.J. VöGEL
SUMMARY

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Over the years, a number of studies have identified the failure of expatriate – the early termination of an international assignment – as a major problem for multinational enterprises (MNE). MNEs in, for example the USA, have reported expatriate failure rates of as high as 40 percent for assignments to developed countries and 70 percent when assignments are in developing countries. These failures can cost the MNE three times the expatriates’ annual salary plus the cost of the relocation. Even if an expatriate stays the full duration of an international assignment it has been determined that many, as much as 50 percent, operate at less than optimal levels of productivity. International studies have, however, shown that if expatriates are properly prepared, supported and trained, the success of their assignment can be ensured.

A South African study has, however, shown that South African MNEs are not providing the structured training programmes required by expatriates for an international assignment.

In order to determine the preparation, support and training needs of South African expatriates this formal study was undertaken, consisting of a literature study as well as an empirical study. At first a literature study was conducted in order to determine what was happening internationally with respect to expatriation and expatriate preparation, support and training as
well as to determine what the best practices are for expatriate preparation, support and training. The literature study was then followed by the empirical study, a link to a web site hosting the structured questionnaire was sent to expatriates working for South African MNEs currently on an international assignment.

The study has revealed that South African MNEs are not providing expatriates with the preparation, support and training they require for an international assignment, and has identified what preparation, support and training is required by South African expatriates. The study has also identified that the age of the expatriate; the duration of an international assignment; the location of the assignment and the management level of the expatriate do not influence the preparation, support and training needs of these expatriates.

Recommendations are made on how to prepare, support and train South African expatriates for an international assignment, which will not only be useful to South African MNEs but to South African universities presenting courses in international management and international human resource management as well.
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