

CHAPTER 7

CONCLUSION AND RECOMMENDATIONS

7.1 INTRODUCTION

According to Cooper & Schindler (2003:665), the summary is a brief statement of the essential findings. Findings state facts; conclusions represent inferences drawn from the findings. Recommendations, on the other hand, are usually a few ideas about corrective actions. In academic research, the recommendations are often suggestions for further study that would broaden or test understanding of the subject area. In applied research the recommendations will usually be for managerial action rather than research action. The writer may offer several alternatives with justification.

This chapter will start with a short overview of the literature study, after which a brief discussion of the most important research findings will be presented. Finally the chapter will conclude with recommendations based on the research findings as well as the identification of future research topics that were identified while undertaking this research.

7.2 LITERATURE REVIEW

Chapter 1 provided the introduction and problem statement to the research. In chapter 1 it was shown that the failure of expatriates was a major problem worldwide with failure rates in the USA of up to 70 percent. In the problem statement it was postulated that through the preparation, support and training of expatriates their failure rate – early termination of an assignment – could be reduced. However, according to a University of South Africa study, South African MNEs are not offering the structured training programmes required by expatriates. Chapter 1 further identified the hypothesis that was tested in this research, which focused on determining whether South African MNEs are providing the preparation, support and training that expatriates feel they need. Next, the research focused on determining if expatriates with a trailing spouse and children have special preparation, support and training needs, and lastly the research attempted to determine whether the location of the international assignment, the duration of the assignment, the age of the expatriate and the management level of the expatriate influenced the preparation, support and training the expatriate requires from the MNE.

In chapter 2, the first of the three literature chapters, it was seen that human resources are a sustainable source of competitive advantage to MNEs as they are valuable, rare and difficult to imitate. It was also seen that MNEs have four sources of personnel to use when sourcing personnel, namely: home country nationals, host country nationals, third country nationals and inpatriates. However, one of the biggest problems facing MNEs is the selection of employees for an international assignment, as very often domestic performance is equated with international performance potential. Instead of just focusing on domestic performance it is recommended that MNEs use different criteria such as self-orientation, others-orientation, perceptual ability and cultural toughness when evaluating an employee for an international assignment. But even if the MNEs were able to select a suitable candidate for an international assignment, the MNE should still be aware of the significance of an appropriate compensation and benefits package to attract, retain and motivate international employees. Lastly, chapter 2 highlighted the importance of successful repatriation or the reintegration of an expatriate back into the home country. MNEs invest hundreds of thousands of rands in expatriates and developing their international knowledge and management skills through international assignments. Yet if these expatriates are not properly repatriated, they leave the employment of the MNE and will apply their new-found skills and knowledge at another MNE that values these skills and knowledge.

Chapter 3 showed that MNEs could use four different types of internationalisation strategies, namely an international strategy, a multidomestic strategy, a global strategy and a transnational strategy. It was also stated that MNEs can and do use a combination of these strategies. The internationalisation strategies in turn influence the type of staffing policy an MNE uses or at least contribute to the choice of a staffing policy. In general the international strategy will go hand in hand with the ethnocentric staffing policy, the multidomestic strategy with the polycentric staffing policy and the global and transnational strategies with the global staffing policy. Lastly, the chapter provided some reasons why MNEs use expatriates, as well as some of the major international staffing problems facing MNEs.

In the last literature chapter, chapter 4, it was identified that the success or failure of expatriates can be attributed to the amount and type of preparation, support and training that they receive from the MNE. The chapter provides guidelines on how expatriates should be prepared for an international assignment, supported while on an international assignment and

trained for the international assignment. All these guidelines were used in drawing up the questionnaire used in the research.

Lastly chapter 5 explained the methodology used in the research, while chapter six presented and discussed the findings of the empirical research.

7.3 CONCLUSION

The following section will provide a brief summary of the findings of the empirical research in chapter 6.

7.3.1 Demographic profile

When looking at the ages of South African expatriates there is no particular age group that stands out as the most prominent. The ages vary between 23 and 60 years of age. This is, however, not in line with the most recent trends in international staffing, where MNEs are sending younger employees on international assignments. The reasons are that younger employees do not, in most cases, have trailing spouses and children who will add to the cost of an international assignment and, as was seen in a number of studies in the USA, are a major contributor to the early termination of an international assignment. Lastly MNEs, when sending younger employees on an international assignment, are seeing the assignment as an investment in the employee and the enterprise's future, as the employee will be able to use that knowledge to the MNE's advantage in the future. Having said this, many MNEs are striving for a balance between younger and more experienced managers, as younger managers tend to appreciate other cultures more and as a result can adapt to the new environment a lot quicker but they lack experience. By sending a combination of youth and experience on an international assignment these managers can learn from each other. This will mean that the age spread of South African MNEs could work in their favour.

When looking at the gender profile of South African expatriates, the male expatriates make up the biggest group, with 89 percent of the responses, with only 11 percent of the respondents being female. The literature has shown that male expatriates tend to adjust a little faster to international assignments than their female counterparts. This may contribute to the success of an international assignment, as the literature has shown that the faster an expatriate can adjust to the new environment, the faster he or she can become a productive employee.

Next it was determined that the majority of South African expatriates are married, with 78.46 percent of the expatriates being married while only 21.54 percent are unmarried. This can be linked to the fact that the ages of South African expatriates vary greatly between 23 and 60 years, and differs from the international trend of sending younger employees on international assignments as they do not yet have trailing spouses and children. According to the literature, the reason the family criterion should receive much attention is that MNEs have learned that an unhappy executive will be unproductive on the job and the individual will want to be transferred home long before the tour of duty is complete. In a study conducted among 324 expatriates in 46 countries it was found that the amount of organisational support that an expatriate feels he or she is receiving and the interplay between this person's work and family domain have a direct and unique influence on the individual's intentions regarding staying with or leaving the enterprise. For this reason, some enterprises interview both the spouse and the manager before deciding whether to approve the assignment. This can be a very important decision on the part of the enterprise because it focuses on the importance of the family as an issue (Hodgetts & Luthans, 2003:454). For South African MNEs the fact that so many of their expatriates are married could be a major factor in the success or otherwise of an international assignment, but as will be seen later this can be overcome through preparation, support and training.

When looking at the hierarchical position of South African expatriates, it is seen that 87.69 percent of expatriates are in either top or middle management positions. The use of top and middle managers as expatriates is in line with international tendencies, as can be seen from the work of Scullion (1994:87). In the study of 45 international personnel management professionals in MNEs based in the UK and Ireland, Scullion found that a majority of the companies continued to rely heavily on PCNs to run their operations. The research findings showed that, while almost 50 percent of companies had formal policies favouring the use of host country managers to run their foreign operations, in practice just over one-third operated with HCNs in senior management positions in their foreign operations. In other words, two-thirds of the companies relied primarily on expatriates to run their foreign operations. The literature has also found that a further key reason for using senior expatriates was to maintain trust in key foreign businesses, following large international acquisitions. This finding is particularly interesting because previous research has suggested that the employment of expatriates will be lower in acquisitions in comparison with Greenfield sites – building an enterprise from the ground up (Czinkota, Ronkainen & Moffett, 2003:138).

The decision to use PCNs to head up foreign operations is closely tied to the ethnocentric staffing policy. It is usually used where MNEs wish to maintain close communication and coordination with headquarters. It is also used by MNEs when they feel that the local managers lack the skills required to head up their foreign operation. This could be a major contributor to the decision of South African MNEs to use such a large percentage of top and middle managers, as the majority of South African expatriates in this study are working in African countries which are less developed than the headquarter country, and as a result might not have the skilled managers that South African MNEs might need.

The research has also indicated that the duration of expatriate assignments was spread between seven-month assignments and ten-year assignments, with the two-year assignments (14.29 percent) and the three-year assignments (38.10 percent) being the most prominent. In a recent survey entitled *Measuring Expatriate Success*, a survey of HR professionals to which 337 HR professionals responded, it was found that the average expatriate assignment lasts 2.7 years (Halcrow, 1999:44-48). When comparing the duration of South African expatriate assignments to this it would seem that South African MNEs are on par with the international tendencies.

In a more recent study amongst 60 mainly European companies, it was found that 53 percent had more than 50 employees on long-term assignments of a year, but only 18 percent had more than 50 employees abroad for fixed periods of less than a year or so. However, short-term assignments were the ones most companies expected to grow. In a comparative study between 1997 and 2000 it was found that the growth in short-term assignments was quite astounding. One of the reasons for this change is cost. Sending employees abroad long term generally costs three to four times as much as employing local staff. Another reason is the way that companies run international operations. The growth in shorter postings can be traced to the early 1990s, when executives increasingly acquired global and functional, rather than regional and geographic, responsibilities. A manager with responsibility for, example, information, is expected to work in all the countries in which the company operates. As a result, people with specific skills, often much lower down the company ladder than the typical expatriate of the past, now work abroad for a few weeks or months at a time. Employees' lives have altered too, in ways that make long-term foreign postings less attractive. Professionals marry other professionals: dual-career couples risk losing half their income if one of them has to move (Anon, 2000b:80).

This would mean that as the majority of South African expatriate assignments are for two and three years, South African MNEs are behind the most recent trends in the duration of expatriate assignments

It should be kept in mind that the duration of an international assignment can also influence the training needs of expatriates. According to Beamish et al (2000:193), the training that a person undergoes before expatriation should be a function of the degree of cultural exposure that he or she will be subjected to. Two dimensions of cultural exposure are the degree of integration and the duration of stay. The integration dimension represents the intensity of the exposure. A person could be sent to a foreign country on a short-term, technical, troubleshooting matter and experience little significant contact with the local culture. On the other hand, a person could be in Japan for only a brief visit to negotiate a contract, but the cultural interaction could be very intense and might require a greater deal of cultural fluency to be successful. Similarly, an expatriate assigned abroad for a period of years is likely to experience a high degree of interaction with the local culture from living there.

One set of guidelines suggests that for short stays (less than a month) and a low level of integration, an “information-giving approach” would suffice. This includes area and cultural briefings and survival-level language training, for example. When the stays are longer (2-12 months) with a moderate level of integration, language training, role-play, critical incidents, case studies, and stress reduction training are suggested. When people will be living abroad for one to three years and/or will have to experience a high level of integration into the culture, extensive language training, sensitivity training, field experience, and simulations are the training techniques recommended.

MNEs should also link the duration of an international assignment to the age of their expatriates, as research suggests that expatriates over the age of 35 years tend to have slightly higher levels of satisfaction after the first year, while managers under 35 have higher levels of satisfaction during the next three to four years (Hodgetts & Luthans, 2003:451).

Lastly, this research found that the majority of South African expatriates are being sent to African countries, followed by Europe, Asia and Australasia, in that order. In fact, nearly double (40 respondents) the number of expatriates were sent to African countries than the number being sent to the rest of the world combined (23 respondents), indicating the need to

focus specifically on the preparation, support and training needs of expatriates on assignment in Africa.

7.3.2 Preparation, support and training provided versus required

In order to determine whether expatriates working for South African MNEs are being provided with the preparation, support and training that they require, a *t*-test was done on the 60 variables in the questionnaire. Each individual section was tested first with 24 variables for preparation, 16 variables for support, 7 variables for training, 8 variables for spouses' needs and 5 variables for the needs of children. The test results revealed that in all five sections there were statistically significant differences between what expatriates require from the MNE and what the MNE is providing them with. In other words, in none of the five sections did the South African MNEs provide their expatriates with what the expatriates required from the MNEs.

Next a paired *t*-test was done, by looking at the mean scores for the combined total results of the variables under each of the five sections, and here too it was revealed that there is a statistically significant difference between what the expatriates required and what they were provided with. The results of the paired *t*-test supported the results of the *t*-test in showing that South African MNEs are not providing their expatriates, spouses and children with the preparation, support and training that they require.

This means that the null hypothesis – H_{10} : South African MNEs are providing the preparation, support and training that expatriates feel they need for international assignments – cannot be accepted, and that the alternative hypothesis – H_{1A} : South African MNEs are not providing the preparation, support and training that expatriates feel they need for international assignments – is accepted.

7.3.3 Spouse and family needs

The last two of the five sections in the questionnaire focused on the preparation, support and training of the trailing spouse of the expatriate (eight variables) and the children of the expatriate (five variables). Here also a *t*-test was done on the variables in each section as well as a paired *t*-test of each section in order to determine if the expatriates with a trailing spouse and a family have special preparation, support and training needs.

As was seen in section 7.3.2 above, the *t*-test revealed that there were statistically significant differences between what was required and what was provided for all the variables in the section focusing on the spouse and the section focusing on the children of expatriates. There were also statistically significant differences between what was required and what was provided in the paired *t*-test focusing on all the variables combined for each of the two sections. This means that expatriates have preparation, support and training needs for their spouses and children that are not being met by the MNE they work for.

As a result the null hypothesis – H₂₀: Expatriates with spouses and families do not have special preparation, support and training needs – is rejected. But the alternative hypothesis – H_{2A}: Expatriates with spouses and families do have special preparation, support and training needs – is accepted.

7.3.4 Location needs

From the literature it was seen that the failure rate of expatriates from the USA differs depending on whether they are being sent to a developing nation or a developed nation, with the highest failure rate (nearly twice as high) occurring when they are sent to developing nations. As part of the compensation offered to expatriates it was seen that expatriates on an international assignment in an extremely disagreeable location (hardship posts) were paid overseas premiums as compensation for the location. MNEs also make contract termination payments to expatriates on an international assignment in a hardship or disagreeable location. This indicates that certain locations are more agreeable than others. For this purpose the research focused on the location of an international assignment in order to determine whether the location (independent variable) influenced the preparation, support and training required by the expatriates (dependent variable).

Fisher's exact test was used to test for statistical significance between the location of the expatriates and the preparation, support and training they require. Due to the small size of the sample ($n = 65$), as well as the fact that almost half the expatriates were on an international assignment in Africa, it was decided to compare the preparation, support and training needs (dependent variable) of expatriates on an international assignment in Africa with expatriates on an international assignment in the rest of the world (independent variable).

When looking at the results of the Fisher exact test, statistical significance at a significance level of $p \leq 0.05$ was found in only one of the 60 variables. When the significance level was, however, reduced to $p \leq 0.10$, statistical significance was found in an additional three of the 60 variables. At a significance level of $p \leq 0.05$ the only statistically significant difference between expatriates being sent on an assignment in Africa and expatriates being sent on assignment to the rest of the world was:

- The MNE should provide a list of property rental agents in the host country that the expatriates can use to find a rental property ($p < 0.0444$). While 75 percent of expatriates on an assignment in Africa agreed with this statement, 95.65 percent of expatriates on assignment to the rest of the world agreed with this statement.

At a significance level of $p \leq 0.10$ the following three variables also showed statistically significant differences:

- The MNE should be required to ship a personal automobile to or from the host country ($p < 0.0697$). While 60 percent of expatriates on an assignment in Africa agreed with this statement, only 34.78 percent of expatriates on assignment in the rest of the world agreed with this statement.
- The MNE should provide the expatriate with legal assistance in order to make or update a will prior to departure ($p < 0.0542$). Only 57.50 percent of expatriates on assignment in Africa agreed with this statement, while 82.61 percent of expatriates in the rest of the world agreed with this statement.
- The MNE should assist spouses of expatriates in acquiring a work permit for the host country ($p < 0.0754$). While 81 percent of the expatriates in Africa agreed with the statement, 100 percent of the expatriates in the rest of the world agreed with the statement.

When looking at the differences between the requirements of expatriates in Africa and the rest of the world, it was significant to note that there were five variables in which both the expatriates on assignment in Africa and the expatriates on assignment in the rest of the world were in one hundred percent agreement with the statements in the questionnaire. These statements were:

- The MNE should pay for the shipment and insurance of household goods to the host country.

- The MNE should cover temporary living expenses of expatriates and their dependants living in a hotel or furnished apartment prior to moving into their new residence in the host country.
- Once a year the MNE should provide the expatriate with aeroplane tickets to the city in the home country where the expatriate is from in order to take home leave.
- The MNE should provide round-trip aeroplane tickets to the expatriate and his or her spouse in the case of illness or death in their immediate family.
- An education allowance (tuition only) should be provided for schooling to expatriate children equal to that offered in the home country.

As there is a statistically significant difference in only one of the 60 variables at a significance level of $p \leq 0.05$, the null hypotheses – H_{30} : There is no difference between the preparation, support and training needs of expatriates on an international assignment in Africa and those expatriates on an international assignment in the rest of the world – is accepted.

7.3.5 Requirements and age

As identified in the literature, age can influence the success of an international assignment. It was determined that MNEs are attempting to increase the use of younger expatriates as they are more appreciative of foreign cultures and as a result are able to adapt to the new environment more quickly. It was also identified that employees over the age of 35 found their first year of an international assignment more enjoyable, while expatriates under the age of 35 found the next three to four years more enjoyable. The literature has thus indicated that age does play a role in expatriation. As a result this research focused on determining if the age of expatriates on an international assignment for South African MNEs influenced the preparation, support and training they required from the MNE.

As was the case with the location requirements, the Fisher exact test was used in determining if there was a statistically significant relationship between the age of expatriates (independent variable) and the preparation, support and training required (dependent variable) by them. The ages of the expatriates - which ranged from 23 to 60 years – were divided into 35 years and under, and older than 35 years of age. When looking at the results of the Fisher exact test, statistical significance at a significance level of $p \leq 0.05$ was found in three of the 60

variables in the questionnaire, while at a significance level of $p \leq 0.10$ an additional two variables could be added to the list of variables with significant differences.

At a significance level of $p \leq 0.05$ the following three variables showed statistically significant differences between the age of an expatriate and the preparation, support and training he/she requires from the MNE:

- The MNE should pay for the storage and insurance of those household goods and other belongings remaining in the home country ($p < 0.0302$). While 85.71 percent of the expatriates 35 years and under agreed with the statement, 100 percent of the expatriates older than 35 agreed with the statement.
- The MNE should provide the expatriate with legal assistance in order to make or update a will prior to departure ($p < 0.0357$). While 82.14 percent of expatriates 35 and under agreed with the statement, only 56.76 percent of expatriates over 35 agreed with the statement.
- The MNE should aid expatriates' spouses in finding work in the host country ($p < 0.0011$). While 90 percent of expatriates 35 and under agreed with this statement, only 43.75 percent of expatriates over 35 agreed with this statement.

At a significance level of $p \leq 0.10$ the following variables can be added to the list of variables with a statistically significant difference:

- The MNE should provide the expatriate with reading material such as newspapers from the host country in order to prepare the expatriate for the new location ($p < 0.0614$). While 82.14 percent of expatriates 35 years and under agreed with this statement, only 59.46 percent of the expatriates over 35 agreed with this statement.
- Expatriates should receive cross-cultural training focusing on subjective characteristics of the host culture such as: customs, values and beliefs ($p < 0.0662$). While 96.43 percent of expatriates 35 and under wished to receive subjective cross-cultural training, 78.38 percent of expatriates over 35 wished to receive this training.

Both the expatriates 35 years and under and the expatriates over 35 were one hundred percent in agreement with the same five variables as in section 7.3.4 above, namely:

- The MNE should pay for the shipment and insurance of household goods to the host country.

- The MNE should cover temporary living expenses of expatriates and their dependants living in a hotel or furnished apartment prior to moving into their new residence in the host country.
- Once a year the MNE should provide the expatriate with aeroplane tickets to the city in the home country where the expatriate is from in order to take home leave.
- The MNE should provide round-trip aeroplane tickets to the expatriate and his or her spouse in the case of illness or death in their immediate family.
- An education allowance (tuition only) should be provided for schooling to expatriate children equal to that offered in the home country.

As there are statistically significant differences in only three of the 60 variables at a significance level of $p \leq 0.05$, the null hypotheses – H_0 : There is no relationship between the age group that expatriates fall into and the type of preparation, support and training that they feel they need for international assignments – is accepted.

7.3.6 Requirements and duration

In the literature it was identified that the duration of an assignment can influence the type and amount of training that an expatriate should receive. According to Beamish et al (2000:193) the training that a person undergoes before expatriation should be a function of the degree of cultural exposure to which he or she will be subjected. Two dimensions of cultural exposure are the degree of integration and the duration of stay. The integration dimension represents the intensity of the exposure. A person could be sent to a foreign country on a short-term, technical, troubleshooting matter and experience little significant contact with the local culture. On the other hand, a person could be in Japan for only a brief visit to negotiate a contract, but the cultural interaction could be very intense and might require a greater deal of cultural fluency to be successful. Similarly, an expatriate assigned abroad for a period of years is likely to experience a high degree of interaction with the local culture from living there.

One set of guidelines suggests that for short stays (less than a month) and a low level of integration, an “information-giving approach” would suffice. This includes area and cultural briefings and survival-level language training, for example. When the stays are longer (2-12 months) with a moderate level of integration, language training, role-play, critical incidents,

case studies, and stress reduction training are suggested. When people will be living abroad for one to three years and/or will have to experience a high level of integration into the culture, extensive language training, sensitivity training, field experience, and simulations are the training techniques recommended.

As was identified in the literature, the duration of an international assignment can influence the type and amount of training that should be offered to an expatriate. This research also aimed to determine if the duration of expatriates' international assignments (independent variable) influences the preparation, support and training they require from South African MNEs. Fisher's exact test was again used in determining if there are statistically significant differences between the duration of an international assignment and the preparation, support and training required by an expatriate. As the duration of an international assignment in this study ranged between seven months and ten years, the duration of assignments (independent variable) were divided into two duration periods, namely 0-4 years and longer than 4 years. When looking at the results of the Fisher exact test, statistical significance at a significance level of $p \leq 0.05$ was found in two of the 60 variables in the questionnaire, while at a significance level of $p \leq 0.10$ an additional variable could be added to the list of variables with significant differences.

At a significance level of $p \leq 0.05$ the following two variables showed statistically significant relationship between the duration of an international assignment and the preparation, support and training required by an expatriate:

- Prior to the assignment the expatriate and his or her spouse should be allowed to visit the host country for an orientation visit at the MNE's expense ($p < 0.0356$). While 98 percent of expatriates on an assignment of four years or less agreed with this statement, 80 percent of the expatriates on an assignment of over four years agreed with this statement.
- Spouses should receive cross-cultural training focusing on subjective characteristics of the host culture, such as customs, values and beliefs ($p < 0.0352$). Of those expatriates on an assignment of four years or less, 81.58 percent agreed with this statement, while only 50 percent of the expatriates on an assignment of more than four years agreed.

At a significance level of $p \leq 0.10$, the following variable can be added to the list of variables with a statistical significant difference:

- The MNE should provide assistance to the expatriate in negotiating the terms of the property lease agreement ($p < 0.0749$). While 83.67 percent of the expatriates on an assignment of four years or less agreed with this statement, only 60 percent of the expatriates on an assignment of longer than four years agreed.

Both the expatriates on an assignment of four years or less and the expatriates on an assignment of longer than four years were one hundred percent in agreement with the same five variables as in the location and age sections of the research.

As there is statistically significant differences in only two of the 60 variables at a significance level of $p \leq 0.05$, the null hypothesis - H_0 : There is no relationship between the duration of international assignments and the type of preparation, support and training that expatriates feel they need for these assignments - is accepted.

7.3.7 Requirements by management level

Through the literature study it was identified that the hierarchical position held by the expatriate influenced the amount and type of support offered to his or her trailing spouse and children by the MNE. In order to determine the type of assistance provided by MNEs to trailing spouses and family members in the dual-career family units, Harvey (1995:233) asked respondents in a study to appraise the quality of support provided to dual-career families before, during and after an international relocation. In the study Harvey made use of self-administered questionnaires, which were distributed to personnel administrators all belonging to the Society for Human Resource Management: International.

Prior to relocation, executive level expatriate trailing spouses/families are provided with:

1. Training programmes
2. Educational support
3. Introductions/recommendations to other companies in host countries
4. Assistance with government requirements and/or restrictions, e.g., employment visas

The middle level and supervisory managers receive less attention prior to international relocation. Every form of assistance to the trailing spouses is less in the case of the lower level managers. There is a significant difference in support to supervisory managers even when compared with their middle management counterparts.

Interestingly there was a high degree of support for executive and middle managers during their international assignments, with the most frequently mentioned support systems being:

1. Educational opportunities
2. Extended adjustment time during relocation
3. Introduction/recommendations to other companies in the host country
4. Assistance in job search and obtaining work permits

The supervisory personnel appear to receive significantly less support during their international relocation. Other than training and assistance with government requirements, it would appear that their spouses/families receive 50 percent less assistance during the actual assignment. After the international assignment is concluded, it would appear that very little assistance is provided beyond repatriation training to family members. The revitalisation of a career is entirely up to the trailing spouse and there is minimal attention to rekindling the career of that individual.

As a result of these findings it was decided to determine if the hierarchical position of South African expatriates (independent variable) influenced the preparation, support and training they required (dependent variable) from the MNEs they work for. However, as only five of the respondents held a supervisory management position and only three of the respondents were non-managerial employees, it was decided to focus on the middle and top management positions, comprising nearly 88 percent of the respondents. In order to test the last of the hypotheses the Fisher exact test was again used.

When looking at the results of the Fisher exact test, statistical significance at a significance level of $p \leq 0.05$ was found in only one of the 60 variables in the questionnaire, while at a significance level of $p \leq 0.10$ an additional three variables could be added to the list of variables with statistically significant differences. At a significance level of $p \leq 0.05$ the following variable showed a statistically significant difference between the preparation, support and training required by top and middle managers:

- The MNE should assist spouses of expatriates in acquiring a work permit for the host country ($p < 0.0099$). One hundred percent of middle managers agreed with this statement, while only 72 percent of top managers agreed.

At a significance level of $p \leq 0.10$ the following three variables can be added to the list of variables with a statistically significant difference:

- The MNE should administer or assist with the administration of the rental of the primary residence of an expatriate while on an international assignment ($p < 0.0644$). While 70.37 percent of middle managers agreed with this statement, only 44.83 percent of top managers agreed.
- MNEs should involve the spouses of expatriates in the original information and orientation sessions prior to accepting the assignment ($p < 0.0507$). All the middle managers agreed with this statement, while 80 percent of the top managers agreed.
- The MNE should aid expatriates' spouses in finding work in the host country ($p < 0.0832$). While 73.91 percent of middle managers agreed with this statement, only 48 percent of top managers agreed with the statement.

Both the top and the middle managers were in one hundred percent agreement on the same five variables as discussed in sections 7.3.4, 7.3.5 and 7.3.6.

As there was a statistically significant difference in only one of the 60 variables at a significance level of $p \leq 0.05$, the null hypotheses – H_0 : There is no difference in the preparation, support and training needs of top and middle management expatriates on an international assignment - is accepted.

7.4 RECOMMENDATIONS

The research has found that the age of the expatriate, the management level held by the expatriate, the location of the assignment and the duration of the assignment do not significantly influence the preparation, support and training needs of expatriates. In other words, South African expatriates should receive the same preparation, support and training irrespective of the age of the expatriate, the management level held by the expatriate, or the location or duration of the international assignment.

It has also been determined that without exception, for all 60 variables in the questionnaire, the South African expatriates indicated that they did not receive the preparation, support and training they required for an international assignment. In the next section recommendations will be made on the preparation, support and training where the biggest needs were identified.

7.4.1 Preparation

In preparing an expatriate for an international assignment it is recommended that prior to the assignment the expatriate and his or her spouse should be allowed to visit the host country for an orientation visit at the MNE's expense. It will also be helpful to put the expatriates in touch with expatriates who have already made the move to the host country in order for them to get a more realistic idea of what to expect of the new location. In doing this the expatriates can bring their expectations of the new location closer to the reality and as a result experience less culture shock in the international assignment.

Expatriates would prefer to use their housing allowances to buy property in the host country rather than rent a property. It is, however, understandable that MNEs want their expatriates to be flexible in order to take up a new assignment or come back to South Africa on short notice. MNEs should carefully communicate their decision to allow expatriates only to rent a property in the host country in order to avoid any confusion.

As transport can be a problem to expatriates, especially in less developed countries, expatriates would prefer that the MNE pay for the shipment of their personal automobiles to and from the host country. If, however, this cannot be provided, the MNE should reimburse the expatriate for any losses incurred due to the sale or early lease cancellation of an automobile prior to relocation. The expatriates do not want to be worse off by accepting the assignment than they would have been had they not accepted it. This is also the case with the primary residence of the expatriate in the home country. The MNE should assist expatriates with the lease or sale of a primary residence prior to the relocation, and if they should incur any losses due to the sale of their primary residence prior to the relocation, the MNE should reimburse the losses.

Most authors on the topic of expatriation are of the opinion that the sooner the expatriates can settle into a routine similar to the one they had in the home country, the sooner they can become productive. This will also reduce the culture shock of the new location. In order to allow them to feel more at home in the new location, expatriates want, and should be allowed, to take their pets with them to the host country. In order to help them do this the MNE should pay for the relocation of the pets to the host country.

As most of the host locations are foreign to the expatriates and could be dangerous, the MNE should provide expatriates with legal assistance in order to make or update their will prior to the departure. Expatriates will also be receiving different allowances and bonuses, all of which will have a tax implication; for this reason the MNE should provide the expatriates with tax consultation services. Again the expatriates would want to make sure that accepting an international assignment does not place them in a worse position than before.

As the medical facilities in the new location might not be on a par with those which are available in South Africa, the MNE should ensure that the expatriates and their family have a full physical and dental examination before leaving the home country. In doing so any problems will be picked up prior to the assignment and can either be sorted out before departure, or if a health problem is picked up that might lead to the early termination of the assignment, the expatriate can be replaced with another. This will save the MNE the costs of premature termination due to ill health.

As shown in the literature study, a number of expatriates leave the employment of the MNE after returning to the home nation due to the fact that there are no proper repatriation plans put in place. In order to avoid this the MNE should stipulate the long-term career plans that the MNE has for the expatriate before the international assignment. The expatriates must know exactly where in the enterprise they will slot in upon returning to the home country. In order to facilitate the repatriation process by keeping the expatriate in regular contact with the home country as well as ensuring that the expatriate has a proper position to slot into when returning, a mentor should be assigned to the expatriate. This should be someone with enough authority to ensure that the interests of the expatriate are looked after and should preferably be someone who has been an expatriate themselves, who knows the challenges of such an assignment.

Lastly in preparing the expatriate for the international assignment, the MNE should provide the expatriates with reading material such as newspapers from the host country in order to better prepare them for the new location. Surfing the Internet is not enough; newspapers contain small stories and advertisement of the local butcher and corner store for example that will provide the expatriate with a much better impression of the new location and its people.

7.4.2 Support

Upon arrival in the host country the expatriate and his or her family should be taken on a tour of the area where they will be working and living. The MNE should also assist the expatriate with tasks such as opening a bank account and obtaining a driver's licence.

In order to allow the expatriate to settle in as soon as possible the MNE should provide him or her with a one-time relocation allowance to pay for miscellaneous costs associated with the relocation, as well as providing a furniture and/or household appliance allowance where shipping or rental of such items is impractical.

Health care is proving to be a major concern to expatriates on international assignments. In order to assist the expatriates in this regard the MNE should ensure that expatriates are provided with the same quality of medical aid cover as they received in the home country. If acceptable medical aid cover for employees on international assignments cannot be obtained in the host or home country, the MNE should investigate the world market for medical aid cover tailor-made to expatriates. Upon arrival in the host country the MNE should also provide the expatriates with a list of reputable doctors and dentists in their immediate vicinity. If the MNE put the expatriates in touch with expatriates who had already made the move to the host country prior to the relocation, expatriates would be able to determine for themselves which of these doctors and dentists were being used by other expatriates and would be getting a first-hand reference to a doctor or dentist. This process would be made a lot easier should the MNE assist expatriates in establishing clubs or social organisations in the host country. The expatriates currently on an assignment in the host country could serve as support networks for new expatriates prior to their relocation, upon arrival and during the assignment.

MNEs should also pay for expatriates to join clubs such as golf clubs, gyms and others. As indicated earlier, the sooner the expatriates can settle into a normal routine similar to what they would have had in the home country, the sooner they will become productive and adapt to the new culture. These club memberships will also allow the expatriates to make business connections and form new friendships to help them adapt to the new location more quickly.

Because the expatriates are far from their family while on an international assignment, the MNE should provide round-trip aeroplane tickets for them and their families in case of illness or death in their family.

Upon repatriation the expatriates feel strongly about the fact that they want the MNE to pay for all customs duties on items purchased in the host country as well as pay any excess baggage penalties payable to the airline. This might be considered by MNEs as being excessive and as such should be negotiated with the expatriates prior to the assignment.

Lastly, the MNE should provide expatriates with temporary accommodation if they cannot move into their own home immediately upon repatriation. The MNE should also provide expatriates with a once-off settlement allowance to compensate for additional expenses incurred upon return.

7.4.3 Training

As security is becoming a major concern all over the world with incidents such as the terrorist attacks on the World Trade Centre in New York City and the recent bomb attacks on the London Underground, expatriates are requiring MNEs to provide them with security awareness briefings on the host location prior to and during the assignment. If expatriates are going to a politically unstable area, information such as the location of “friendly” embassies, evacuation procedures and a contact person in the case of political or military instability should be provided. Information relating to the stability/instability of neighbouring countries and how this may or may not affect the expatriates should also be provided.

Expatriates and their families should also be provided with information on local driving practices and motor vehicle safety in the host country. The expatriate should also be provided with an overview of the basic requirements for doing business in the host country. The more different the host country is from South Africa, the more intense the training should be. Information such as the host countries’ perceptions on time and differing leadership styles as well as acceptable and unacceptable topics of conversation during meetings and social events should be provided to expatriates.

When providing cross-cultural training on the new location it is advised to start with objective characteristics of the host culture, such as currency, language, government systems and architecture. These characteristics are more easily observable and understandable. The focus can next shift to the more subjective characteristics of culture, such as customs, values and beliefs. Cross-cultural training is best offered by individuals who have spent time in the host country and know and understand the culture very well. Using expatriates who have spent a

considerable amount of time in the host location can ensure that the new expatriate gains first-hand knowledge from someone who has successfully completed the assignment. This will also make the returning expatriates feel wanted by sharing their knowledge with other employees, thus helping with the repatriation process. It is, however, important that the returning expatriate offering the training should not harbour negative feelings towards the host country and the assignment, as this could negatively influence the new expatriates. If the language spoken in the host country differs from the languages spoken in South Africa, the expatriate should be provided with language training as well. As indicated earlier, the duration of the assignment as well as the intensity of interaction between the expatriate and the host country employees should be used as a guideline in determining the amount of cross-cultural training offered to the expatriate.

Lastly the expatriate and his or her spouse should attend a repatriation seminar to help them prepare mentally for the repatriation. It is often thought that the repatriation is no problem as the expatriate and spouse are returning to their home country, but a lot can change in the home country and headquarters in the years that they have been away; friends have moved away, colleagues have been promoted or moved on to other enterprises, and so forth.

7.4.4 Spouses

A couple of the recommendations in this section were discussed as part of the preparation, support and training of the expatriate. Due to the importance of the trailing spouse in ensuring the success of the international assignment, they will be discussed separately here as well.

It is important that the trailing spouse be involved in the original information and orientation sessions prior to accepting the assignment. As was indicated in the literature study, research in the USA and Europe has shown that the greatest reason for the failure of an international assignment is the fact that the trailing spouse cannot adapt to the new environment. As a result it is important to ensure that the trailing spouse is interested in the new environment as well.

The society we live in has changed a lot in the last couple of decades; as a result the amount of dual-career couples has increased substantially. In order to ensure that the trailing spouse does not become bored and can continue with his/her career development/path in the new

location, the MNE should not only help the trailing spouse obtain a work permit/visa in the host country, but also aid him or her in finding work in the host country. If work cannot be found, the MNE should provide the expatriate's spouse with a job. If this is, however, also not possible – if work permits/visas cannot be obtained, for argument sake – the MNE should provide the trailing spouse with financial support for further studies in the host country. The whole focus here is on ensuring that the trailing spouse does not become bored and can adapt to the new environment as quickly as possible, as well as ensuring that his or her career development/progress does not fall behind as a result of the international assignment of his or her spouse.

As was the case with the expatriate, the trailing spouse should also receive cross-cultural training. Here too the training should start with the more objective characteristics of the host culture such as the host currency, language and architecture, but must then progress towards the more subjective characteristics, such as the host country's customs, values and beliefs. Here, too, if the language of the host country is different from the language spoken in South Africa the MNE should provide language training to the trailing spouse.

7.4.5 Children

MNEs should provide training to the children of expatriates in order to ensure that they will be able to adapt to the new environment as well. As was the case with a trailing spouse, if the children of the expatriate cannot adapt to the new environment, the expatriate might or will probably return to the home country sooner than expected.

In order to ensure that the children of expatriates adapt to the new environment, the MNE should provide them with objective cross-cultural training of the host culture, focusing on aspects of the host cultures such as currency, language and architecture. The MNE should also provide language training to the children of expatriates where the host language is different from the language spoken in South Africa.

A lot of the preparation, support and training needs of expatriates can be met through the use of expatriation agencies in the host country. When looking at the cost of an expatriate failure it might be worth the costs of appointing such an agency in order to improve the chances of a successful expatriate assignment.

7.5 FUTURE RESEARCH

Even though a number of studies have been done on the topic of expatriation all over the world, almost no information is available on what is happening in South Africa. A few private enterprises are conducting research on expatriation on behalf of their paying customers, but this information is for the exclusive use of these customers. As a result no proper information is available to universities to properly train future HR and expatriate managers. With the use of the Internet, many small MNEs are also entering the world market and are starting to use expatriates. As they do not always have the money to pay for the expatriate research done by these private enterprises, their chances of success with an expatriate assignment are reduced substantially.

This research focused on the preparation, support and training of expatriates working for South African MNEs. There are, however, a number of other areas that could influence the success of an international assignment that need to be further researched.

Firstly, the selection of expatriates for international assignment needs to be researched further. As indicated in the literature, expatriates are often selected on the grounds of their domestic performance, but this is not enough to ensure the successful completion of an international assignment.

A second factor that needs more research is the topic of expatriate compensation. Expatriates often live in expatriate compounds in the host country where they are in contact with expatriates from other MNEs and countries. Comparing their compensation with that of these other expatriates can often lead to unhappiness and a drop in productivity. These expatriates might cherry-pick the best of the compensation packages from the packages offered to other expatriates and demand a compensation package containing these components. This is, however, unrealistic but does offer a huge challenge to HR managers in charge of these expatriates. As a result research and recommendations on the best compensation practice need to be carried out with special emphasis on South African expatriates.

A third topic for future research is the topic of repatriation. The success of an international assignment cannot be measured on whether the expatriate stayed for the full duration of the assignment alone. The expatriates should be retained for the MNE to use and share the skills and knowledge they have picked up in the host country with other employees. If an expatriate

leaves the employment of the MNE shortly after repatriation, this is still a failure for the MNE. The MNE invested a substantial amount of money in the expatriate through the international assignment, and by leaving the expatriate is now using the new-found skills and knowledge to improve the competitive position of another MNE. As a result the topic of repatriation of expatriates should receive attention.

Lastly it should be stated that this research itself could be further refined. With a much larger sample (if at all possible), the hypotheses focusing on age, duration of assignment, location of the assignment and management level of the expatriate could be much further refined as opposed to the two groups of independent variables used to test each hypothesis.

Any future research must, however, focus on the South African situation to further build on and strengthen the current body of knowledge, in order to help the small emerging South African MNEs and universities.