

**PREPARATION, TRAINING AND SUPPORT  
REQUIREMENTS OF EXPATRIATE TRAILING SPOUSES**

By

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## **DECLARATION**

I declare that the Master's thesis which I hereby submit for the degree MCom Business Management at the University of Pretoria is my own work and has not been submitted by me for a degree at another university.

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**Month and year of submission: September 2015**

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Degree: MCom Business Management

## **ABSTRACT**

Globalisation has led to an increased need for MNEs to expand their operations and appoint expatriate managers in foreign countries. The failure of these expatriates has been identified as a major concern for multinationals, as failure rates range between 30 and 40 percent and may cost an enterprise up to US\$1.2 million. Many studies have found the inability of the trailing spouse to adjust in the host country to be the most common cause of expatriate failure.

As they are more immersed in the host-country's culture than the expatriate, spouses may experience severe culture shock, isolation, and stress, and need to come to terms with the various differences in healthcare systems, housing arrangements, cuisine, language and gender roles. The adjustment of the trailing spouse has been found to be significantly related to the success of an international assignment, making enterprise-assistance programmes essential.

The aim of this study was to determine the preparation, training and support requirements of trailing spouses in order for MNEs to reduce the likelihood of failure amongst their assignees. A literature study was conducted in order to investigate the causes of failure and to identify best practices for the preparation, training and support of spouses accompanying expatriates on assignment. The literature study was then followed by an empirical study, in which a link to an online questionnaire was distributed through MNEs and online forums to trailing spouses currently on assignment. Spouses were required to answer demographic questions and give their opinion regarding various preparation, training and support requirements by

rating their level of agreement, on a four-point Likert Scale, as to whether or not they required any of the listed items for adjustment and whether or not these were provided to them by the enterprise. The data was then analysed using a factor analysis, Cronbach's Alpha, a *t*-test, paired *t*-test, an analysis of the mean scores and other inferential statistics.

This study has revealed that enterprises are not providing expatriate trailing spouses with the preparation, training and support that they require, and has identified what preparation, training and support is required by spouses in order to adjust in the host country. Recommendations have been made based on these findings to assist enterprises in developing preparation and training programmes and providing adequate support to spouses prior to and during the assignment. It is important to remember that the key to expatriate success is the trailing spouse's adjustment. These recommendations should therefore enable MNEs to design and implement expatriate programmes and processes that take into consideration the needs of trailing spouses in order to reduce the likelihood of expatriate failure.

**Keywords: Expatriate; trailing; spouse; failure; preparation; training; support; requirement**

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# CHAPTER 1

## INTRODUCTION AND PROBLEM STATEMENT

### 1.1. INTRODUCTION AND PROBLEM STATEMENT

The opportunities and challenges that arise as a result of globalisation have led to an increased need for multinational enterprises (MNEs) to establish foreign subsidiaries and to appoint managers in international locations (Haile, Jones & Emmanuel, 2007:100; Takeuchi, Wang & Marinova, 2005:925).

Harzing (2004:252-254) and Schuler, Dowling and De Cieri (1993:430) claim that instead of employing locals, multinationals find it more advantageous to relocate their current managers to their foreign subsidiaries as they already possess the necessary experience, knowledge and expertise to successfully manage operations in a manner consistent with that of head office. These managers are referred to as expatriates. Carpenter, Bauer and Erdogan (2007:[5]) point out that MNEs also choose to appoint an expatriate, as opposed to recruiting a local employee, when enterprise-specific knowledge is important, confidentiality or speed is an issue, or when the corporate strategy is focused on global integration.

According to Cascio and Aguinis (2011:397), an expatriate is any citizen of one country who is working outside his or her home country, with a planned return to that or a third country; or, as defined by Briscoe, Schuler and Claus (2009:165) and Haile *et al.* (2007:100), a citizen of one country who is assigned to another country to work in a foreign subsidiary.

Briscoe *et al.* (2009:166) and Graf (2004:667) state that expatriates are used by multinationals to transfer technologies and enterprise culture in joint ventures or from headquarters to foreign subsidiaries, to enter new markets and to develop the employee's international skills. Ando, Rhee and Park (2007:115), as well as Bolino (2007:824) have identified three reasons for using expatriates, originally categorised by Edström and Galbraith (1977:253) as being: to fill positions; to develop managerial skills; and to develop the enterprise through control and coordination.

According to Briscoe *et al.* (2009:165), Dowling and Welch (in Huynh, Johansson & Tran, 2007:5), and Reiche and Harzing (2009:5), expatriation can take three forms, namely those of parent-country nationals (PCNs), host-country nationals (HCNs) and third-country nationals (TCNs).

Parent-country nationals are employees in the parent enterprise that are transferred temporarily to a foreign subsidiary. Host-country nationals are employees sent from the host subsidiary to the parent country, while third-country nationals are those employees who are sent from one foreign subsidiary to another, both owned by the same enterprise (Briscoe *et al.*, 2009:165; Cascio & Aguinis, 2011:397; Dowling & Welch in Huynh *et al.*, 2007:5; Reiche & Harzing, 2009:5; Tung, 1982:59).

Parent-country nationals have the greatest potential to influence a subsidiary's performance, owing to the strategic leadership positions they fill, and the role they play in transferring firm-specific knowledge and corporate culture to subsidiaries (Colakoglu & Caligiuri, 2008:1; Frändberg & Kjellman, 2005:1). Although the term *expatriate* means any employee who is working outside his or her home country (Reiche & Harzing, 2009:5), for the purposes of this study an expatriate will refer to a parent-country national, as this is the most common form used in multinational enterprises, and the reliance on PCN expatriates will continue to increase as foreign direct investment (FDI) grows (Briscoe *et al.*, 2009:165; Huynh *et al.*, 2007:6; Colakoglu & Caligiuri, 2008:1).

In his seminal work, Perlmutter (1969:12) identified three staffing policies, namely ethnocentric, polycentric, and geocentric, while according to Reiche and Harzing (2009:4), a regiocentric approach was added in a later publication by Heenan and Perlmutter (1979).

With an ethnocentric staffing policy, top positions in subsidiaries are filled by parent-country nationals, enabling the multinational to maintain control and coordination over subsidiaries, since PCNs better understand and internalise the common values and goals of the enterprise (Ando *et al.*, 2007:115; Briscoe *et al.*, 2009:165; Lam & Yeung, 2008:680; Perlmutter, 1969:12; Van Aswegen, 2008:42).

In a polycentric staffing policy, host-country nationals are typically put in charge, allowing subsidiaries to act as distinct national entities with considerable decision-making authority (Briscoe *et al.*, 2009:165; Perlmutter, 1969:13; Reiche & Harzing, 2009:3). This approach allows multinationals to effectively deal with language and cultural barriers that may arise when expatriates are used (Colakoglu, Tarique & Caligiuri, 2009:1293; Perlmutter, 1969:12).

Colakoglu *et al.* (2009:1293) state that a geocentric staffing policy involves a diverse staffing composition in which parent-country, host-country, or third-country nationals can be found in key positions anywhere in a multinational's global operations. This approach seeks the best

people for key jobs regardless of their nationality (Briscoe *et al.*, 2009:165; Perlmutter, 1969:13; Reiche & Harzing, 2009:4).

In a regiocentric approach, multinationals divide operations into geographical areas, for example Europe, and employ, develop and transfer expatriates within these regions, enabling multinationals to respond effectively to local conditions (Briscoe *et al.*, 2009:165; Reiche & Harzing, 2009:4; Van Aswegen, 2008:43).

According to Frändberg and Kjellman (2005:2), Harvey and Moeller (2009:286), and Reiche and Harzing (2009:25), the expatriation process consists of four stages:

1. *Selection* – The process of gathering information to choose appropriate candidates for *overseas positions*.
2. *Training* – Involves preparing expatriates for their international assignments.
3. *Arrival and Support* – Assistance is made available for expatriates during their initial adjustment period in the new country.
4. *Repatriation* – The process of preparing expatriates and their families for their return to their home country.

Briscoe *et al.* (2009:165) and Ntshona (2007:7) mention that the effective selection, training and management of international assignees has become the centre of attention in International Human Resource Management (IHRM) literature, and point out how necessary it is for enterprises to include expatriates in their IHRM strategies. One of the major issues facing IHRM is the failure of expatriates (Baruch & Altman, 2002:240; Handler, Lane & Maher, 1997:67; Hill, 2011:609; Shay & Tracey, 1997:30; Vögel & Van Vuuren, 2008:87).

Expatriate failure can be seen as either underperformance by the expatriate during the international assignment, the premature return of the expatriate, or repatriate failure on returning to the home country (Briscoe *et al.*, 2009:180; Harzing, 2004:274; Shen, 2005:657; Swarts & Du Plessis, 2007:48; Templer, 2010:1754).

Okpara and Kabongo (2011:22) discuss numerous studies that estimate that roughly 20 to 40 percent of all expatriates sent on international assignments return to the home country prematurely. A study by Tung (1982:68) reports high failure rates in United States (US), West European, and Japanese multinationals. Seven percent of US multinationals indicated a

failure rate of 20 to 40 percent; 69 percent of the enterprises had a failure rate of 10 to 20 percent, while the remaining 24 percent had failure rates below 10 percent. The failure rates were lower in West European and Japanese multinationals (rarely exceeding 10 percent) which Briscoe *et al.* (2009:180) and Tung (1982:68) attribute to the fact that West European and Japanese expatriates by nature, selection, and training may be more adept at living and working in a foreign environment; or that European and Japanese MNEs may use different criteria when judging the ability of an individual to work effectively in the host country. However, according to Lund and Degen (2010:60), expatriate failure rates in China have been found to reach levels as high as 70 percent. Shay and Tracey (1997:31) mention that US expatriate failure rates (defined as the premature return of an expatriate) are estimated to be between 25 and 40 percent when the expatriate is assigned to a developed country, and 70 percent for a developing country. This is supported by Eastwood and Renard (2008:1) who mention a failure rate of 30 to 85 percent, and Briscoe *et al.* (2009:182), who mention that US failure rates range between 10 and 80 percent, with a common rate in the 30 to 40 percent range. Copeland and Griggs (in Shay & Tracey, 1997:31) estimate that 30 to 50 percent of expatriates who complete their assignments underperform.

A survey by Van Heerden and Wentzel (in Van Aswegen, 2008:47) indicates a 9 percent failure rate for South African expatriates, while Hawley (in Swart & Du Plessis, 2007:48) states that between 25 and 40 percent of South African expatriates leave their international assignments early. Findings from Swart and Du Plessis (2007:62) indicate that the intention to quit a foreign assignment in Africa is 51 percent, while it is lower (36 percent) for expatriates stationed in developed countries (Europe or the US). Els (2007:66) found that 22 percent of South African expatriates failed their assignments, with failure defined as premature return, underperformance, or termination of the expatriate's contract. According to Van Aswegen (2008:47), South African failure rates are in line with international rates and, as many South African multinationals expand their operations into Africa, expatriate preparation and training processes need to be improved.

According to Harzing (2004:274), Templer (2010:1754), and Tungli and Peiperl (2009:157), failure causes the expatriate to incur personal costs, including damage to the expatriate's career, self-esteem and relationships, and stress or health problems, as well as family conflict. Haile *et al.* (2007:101), Shen (2005:657), and Templer (2010:1754) point out that direct costs for the enterprise include the expatriate's salary, training, travel and relocation expenses. Indirect costs arise if the relationship with the host country is damaged, if the expatriate

underperforms, if there are damages to the enterprise's reputation and image, or if market share or business opportunities are lost (Graf & Harland, 2005:46; Haile *et al.*, 2007:101; Harzing, 2004:274; Shen, 2005:657; Templer, 2010:1754).

The average cost per failure to the enterprise can be as high as two and a half times the expatriate's annual domestic salary plus the cost of relocation (Anderson, 2005:572). Briscoe *et al.* (2009:182), Carpenter *et al.* (2007:[5]), and Graf and Harland (2005:46) estimate the value of these failures to generally range between US\$200 000 and US\$1.2 million. In South Africa, Van Aswegen (2008:45) states that expatriates in executive positions can cost an enterprise an estimated R1 million per year.

According to Anderson (2005:568), Briscoe *et al.* (2009:165), Haile *et al.* (2007:101) and Tung (1982:76), the inability of the manager or the manager's spouse to adapt to the new environment or other family-related issues have been identified as common causes of failure among US expatriate managers. Hawley (in Van Aswegen, 2008:54) identified the following as common reasons for failure among South African expatriates:

- A poor understanding of the foreign culture and language
- An unwillingness to train the host nationals
- Insufficient preparation of the expatriate and their family
- An ethnocentric attitude (a perception that one's culture is superior to another)

Hill (2011:611), Mohr and Klein (2004:1190), and Rosenbusch and Cseh (2012:61) state that expatriates rarely fail due to technical incompetence, but rather because of family and personal issues, concerns regarding the spouse's career, or a lack of intercultural skills that were not addressed during the selection process.

Van Heerden and Wentzel (in Van Aswegen, 2008:54) indicate that 62 percent of failed assignments are due to personal reasons (spouse, family and adjustment), 10 percent are due to health-related reasons and 28 percent to performance issues. This coincides with the causes of failure among US expatriates and emphasises the role of family in the adjustment process.

Andreason (2008:386), Briscoe *et al.* (2009:185), and Mendenhall, Dunbar and Oddou (1987:331) discuss the numerous obstacles that expatriates and their spouses confront in the foreign societies to which they are assigned. These may include culture shock, isolation,

homesickness and differences in work-related norms, healthcare systems, housing, schooling, cuisine, language and gender roles, as well as the cost of living. Deen (2011:10), Harvey and Moeller (2009:280), and Haslberger and Brewster (2008:326) acknowledge that these obstacles tend to create high levels of stress and tension for those spouses who accompany their partners on assignment, which may lead to conflict within the family, affecting the expatriate's morale and ability to perform their job effectively. Many enterprises fail to recognise the relationship between an expatriate's and their trailing spouse's adjustment while overseas, and as a result they neglect to include the family in the expatriation process.

According to Andreason (2008:387), Caligiuri *et al.* (2009:257), Gupta, Banerjee and Gaur (2012a:3560), and Van Erp, Giebels, Van der Zee, and Van Duijn (2011a:75), many studies have proved that trailing spouses deal with greater stress and adjustment difficulties than does the expatriate in the host environment. The spouses tend to be less sheltered from the foreign environment and more exposed to the culture than the expatriates, yet they tend to be excluded from selection and training processes and receive less in-country support, making it harder for them to adjust (Andreason, 2008:382-387; Tung, 1982:65; Wilson, 2011:9). The spouse often struggles overseas; while the expatriate has a sense of belonging at the office, the spouse is left feeling alienated without the social support network that was present in their home country.

Cross-cultural adjustment of the spouse and family can have a positive or negative effect on the expatriate's adjustment, a situation referred to as *crossover*. Crossover is defined as a situation where the stress and strain experienced by the spouse at home leads to stress and strain experienced by the expatriate in the workplace, and vice versa. The spouse's overseas experience affects the expatriate's adjustment and performance at work, and spouses (especially wives) have considerable influence over their partner's decisions and behaviour. An unhappy spouse is therefore the most frequent cause of expatriate failure. This crossover effect makes it important to include the spouse during preparation, training and support processes in order to reduce the possibility of expatriate failure (Andreason, 2008:390; Gupta *et al.*, 2012a:3560; Lazarova, Westman & Shaffer, 2010:93; McNulty, 2012:421-422; Rosenbusch, 2010:116; Tung, 1982:67; Westman, 2001:718).

Ntshona (2007:68) found that 83 percent of South African expatriate managers have a spouse or partner that would either be left behind or would accompany the manager on assignment. Ali, Van der Zee and Sanders (2003:564) as well as Wu and Ang (2011:2690) state that

approximately 80 percent of expatriates take their spouses with them on assignment, while Van Erp *et al.* (2011a:58) found that 90 percent of all expatriates are accompanied by their partners. Haslberger and Brewster (2008:324-330) discuss a study that reported that roughly 60 percent of expatriates are accompanied by their spouse on the assignment; 60 percent of these trailing spouses were employed before, only 21 percent were employed during the assignment. A study by McNulty (2012:428) found that only 36 percent of trailing spouses were able to continue with their careers in the host country due to visa or work permit restrictions. Spouses who give up their jobs ultimately experience boredom, underload, and a loss of professional status, which negatively affects the expatriate's adjustment, leading to failure.

A survey in 2005 by General Motors Acceptance Corporation (GMAC) and the National Foreign Trade Council (NFTC) (quoted by Brown, 2008:1019) showed that 47 percent of candidates withdraw themselves from consideration during a multinational's selection process due to 'family concerns', while a study by PricewaterhouseCoopers (PWC) (quoted by Brown, 2008:1019) found that 59 percent of candidates refused an international assignment due to 'dual-career issues'. This is supported by Shell and Solomon (in Els, 2007:23) who indicate that 48 percent of reasons for turning down an international assignment are spouse related, 27 percent are related to the manager's children, and 29 percent are related to both the spouse and children. Mäkelä, Käsälä and Suutari (2011:185) and McNulty (2012:418) mention that 'family and personal circumstances' as well as 'partner's career' are the most common reasons for expatriates refusing overseas assignments.

Briscoe *et al.* (2009:183) discuss the results of a survey by Runzheimer International and ORC International. They state that almost 50 percent of enterprises offer some form of support for the expatriate's spouse: 87 percent of these provide assistance only when necessary, and only 13 percent have formal policies regarding trailing spouses. A study by Shay and Tracey (1997:33) found that only 12.5 percent of spouses were included in training programmes designed to aid in overseas adjustment, while McNulty (2012:421) found that only 13 percent of enterprises are interested in improving their expatriates' spouse and family assistance programmes.

International assignments play a strategic role in the success of any business venture and have become an integral part of multinationals' business strategies (Riusala & Suutari, 2004:745;



Van Aswegen, 2008:2). The inability or unwillingness of the spouse to adjust to the host environment is the primary cause of expatriate failure (and the only consistent reason among European expatriates), as it significantly affects the expatriate's work performance (Andreason, 2008:382; Brown, 2008:1019; Deen, 2011:11; Shen, 2005:658; Swarts & Du Plessis, 2007:47; Tung, 1981:76).

According to Mäkelä, Käsälä and Suutari (2011:186), Miser (2010:1), and Van Erp, Giebels, Van der Zee, and Van Duijn (2011b:539), the successful adjustment of an expatriate's spouse is significantly related to the success of an international assignment. The spouse should therefore be included in multinationals' preparation, training and support initiatives, in order to reduce the possibility of expatriate failure. As a result, this study focused on the following research question:

What are the preparation, training and support requirements of trailing spouses prior to, and during an international assignment?

## **1.2. RESEARCH OBJECTIVES**

In order to answer the research question stated above, the following research objectives were set for this study:

- To determine whether or not there is a difference between the preparation required by trailing spouses and the preparation received from the enterprise prior to the assignment.
- To determine whether or not there is a difference between the training required by trailing spouses and the training received from the enterprise prior to the assignment.
- To determine whether or not there is a difference between the support required by trailing spouses and the support received from the enterprise during the assignment.

## **1.3. LITERATURE REVIEW AND HYPOTHESES**

Despite the fact that the inability of the expatriate's spouse to adjust has been found to cause premature return from an assignment, very few studies have focused on the spouses' adjustment process and point of view (Andreason, 2008:386; Konopaske, Robie & Ivancevich, 2005:406; Takeuchi, 2010:1047, Wilson, 2011:9). In a study by Handler *et al.* (1997:73), 97.3 percent of respondents agreed that expatriate success or failure is directly

related to the happiness of the spouse. The spouses' support of the expatriate and the assignment, and their adjustment and satisfaction during an international assignment is crucial for its success (Cole, 2012:309; Konopaske *et al.*, 2005:407; Long, 2010:75; Wang, Bullock & Oswald, 2011:74). According to Gupta, Banerjee and Gaur (2012b:26) and Vögel *et al.* (2008:38), expatriates who are accompanied by their spouses and families require special support and training from their enterprise. Studies by Gupta *et al.* (2012b:26) and Vogel and Van Vuuren (2008:80) therefore emphasise the importance of spousal preparation, training and support before and during an international assignment, to aid them in overcoming the various issues they are likely to face in the unfamiliar host environment.

### **1.3.1. Preparation Requirements**

A lack of preparation and relocation assistance has proved to be a primary source of stress for trailing spouses (Brown, 2008:1022; Forster, 1997:427). A survey by CIGNA International (quoted in Brown, 2008:1030) found that 53 percent of enterprises felt they provided sufficient preparation for expatriate families, while only 32 percent of expatriates felt that their families received adequate preparation and support prior to, and during the international assignment. Numerous studies (Bikos, Çiftçi, Güneri, Demir, Sümer, Danielson, DeVries & Bilgen, 2007:36; Cherry, 2010:133; Dewald & Self, 2008:357; Forster, 1997:423) emphasise the need for better pre-departure spousal preparation programmes by the MNE, including information and training regarding the country, its language, culture and living standards.

Cherry (2010:133) and Dewald and Self (2008:357) state that an enterprise's involvement of the spouse in pre-departure preparation regarding the assignment, including supplying information on the foreign country's culture and living standards, aids in their general adjustment. According to Cherry (2010:139), Kim and Tung (2013:1045), Purgal-Popiela (2011:39), and Vogel and Van Vuuren (2008:85), enterprises should provide families with a realistic preview of everyday life in the host country, as well as accurate and up-to-date information about the country, its people and culture. This can be achieved through the arrangement of orientation visits to the foreign country.

Ashamalla (1998:58), Cascio (2006:645), and Sharma (2012:15) recommend that enterprises organise orientation visits to the host country for potential expatriates and their spouses before their final departure, as the cost of such visits is insignificant when compared to the costs associated with expatriate failure. In a study by Vögel and Van Vuuren (2008:85), 98 percent of expatriates on assignment for a period under four years, and 80 percent of those on

assignment for more than four years, agreed that enterprises should organise a pre-departure orientation visit to the host country for expatriates and their spouses. These pre-assignment visits will allow the couple to familiarise themselves with the local culture and customs, learn appropriate behaviours, and set realistic expectations about the assignment and foreign environment. Orientation visits provide expatriates and their spouses with invaluable first-hand information regarding the host country and culture, which may reduce spousal uncertainty and aid in spouses' adjustment during the assignment (Ashamalla, 1998:58; Black & Gregersen, 1991a:464; Ghafoor, Khan, Idrees, Javed & Ahmed, 2011:338; Rosenbusch & Cseh, 2012:63; Sharma, 2012:15; Sims & Schraeder, 2004:76).

On the other hand, Harvey and Wiese (1998a:368) and Sims and Schraeder (2004:76) are of the opinion that pre-departure orientation visits often become 'tourist' visits or holidays, and the expatriate couple return to their home country with an unrealistic perception of the host country's culture and customs. As a result of these misperceptions, the couple experience severe culture shock on their arrival in the host country, as they realise that the culture and lifestyle they experienced in their orientation visit differs significantly from reality. A study by Kim and Tung (2013:1042) found that spouses who arrived in the host country with unrealistic expectations soon became dissatisfied with the country, culture and living conditions, which inhibited their cross-cultural adjustment and often resulted in the family's premature return.

Enterprises should offer relocation, housing, and placement assistance, and provide expatriates and their spouses with lists of property agents, appropriate schools, shopping centres and medical clinics prior to the assignment (Cherry, 2010:139; Kim & Tung, 2013:1045; Purgal-Popiela, 2011:39).

Forster (1997:423) found that 70 percent of trailing spouses received some form of briefing prior to their departure, while only 50 percent of these spouses rated the preparation as helpful. Spouses often struggle to adjust and consistently assign low ratings to MNE pre-departure preparation programmes. As a result, the following hypotheses were developed and tested:

**H<sub>10</sub>:** There is no difference between the preparation required by trailing spouses and the preparation provided to them by the multinational enterprise prior to the assignment.

**H1A:** There is a difference between the preparation required by trailing spouses and the preparation provided to them by the multinational enterprise prior to the assignment.

### 1.3.2. Training Requirements

As previously stated, an expatriate or spouse's inability to adapt to the host country's culture has been found to be the primary cause of expatriate failure. In situations where the spouse is unable to adjust in the local environment, the expatriate also tends to struggle with adjusting (Fischlmayr & Kollinger, 2010:455; Harvey, 1995:226; Jenkins & Mockaitis, 2010:2694; Konopaske *et al.*, 2005:405; Lund & Degen, 2010:68; Malek & Budhwar, 2013:222; Peltokorpi & Froese, 2012:739).

Brown (2008:1022), Cherry (2010:133), Kim and Tung (2013:1035), Purgal-Popiela (2011:39), and Wilson (2011:72-73) explain that trailing spouses are faced with various uncertainties that stem from existing language barriers and cultural differences in daily activities, as well as other various challenges that arise from their interaction with host nationals. Dewald and Self (2008:356), Lund and Degen (2010:70) and Kim and Tung (2013:1034) suggest providing pre-departure training to expatriates and their families to familiarise them with host-country practices and to avoid their developing unrealistic expectations regarding the host country.

Shaffer and Harrison (2001:243) define cultural novelty as "commonplace features or everyday customs" of a country's culture. Differences in the host country's language and cultural novelty will have a greater impact on the accompanying spouse than on the expatriate. Spouses often struggle to adjust as they become confused, stressed, and overwhelmed by their lack of knowledge and understanding of the new, foreign culture and its customs. (Andreason, 2008:387; Caligiuri *et al.*, 2009:257; Ghafoor *et al.*, 2011:337; Gupta *et al.*, 2012a:3560; Shaffer & Harrison, 2001:238; Sims & Schraeder, 2004:74; Takeuchi *et al.*, 2007:932; Van Erp *et al.*, 2011a:75). While expatriates have the stability of a familiar work environment, the spouse tends to be more immersed in the local culture on a daily basis, interacting with locals who may not speak English and who are not accustomed to dealing with foreigners (Andreason, 2008:386; Ashamalla, 1998:59; Cole, 2012:313; Harvey & Wiese, 1998a:364-365; Purgal-Popiela, 2011:33; Shaffer & Harrison, 2001:238; Tung, 1982:65; Wilson, 2011:9).

Trailing spouses' need for training prior to their departure is emphasised throughout expatriate literature (Fischlmayr & Kollinger, 2010:471; Mohr & Klein, 2004:1197; Smart, 2011:64; Vögel & Van Vuuren, 2008:85). Expatriates and spouses who are prepared for and aware of the host country's religious, cultural, language, and lifestyle differences, will have a mental idea of potential situations that may arise during the assignment. This mindset of being prepared should increase their confidence in the assignment, eliminate uncertainty, and ease their adjustment in the local environment, reducing the chance of premature return (Cho, Hutchings & Marchant, 2013:1053; Gupta *et al.*, 2012b:18; Jenkins & Mockaitis, 2010:2696; Konopaske & Werner, 2005:1161; Mohr & Klein, 2004:1197; Shaffer & Harrison, 2001:244; Sims & Schraeder, 2004:76; Smart, 2011:90).

Kupka, Everett and Cathro (2008:1783), Mohr and Klein (2004:1194), and Shaffer and Harrison (2001:241) found that spouses who acquired a basic repertoire in the foreign language had a more positive overseas experience, and adjusted more easily than those who made no attempt to learn the language. Language and communication problems create social barriers, making it difficult to cope with everyday tasks, form friendships, find employment, adjust, and integrate with the locals (Ashamalla, 1998:59; Bikos *et al.*, 2007:52; Cherry, 2010:137; Kim & Tung, 2013:1033; Mohr & Klein, 2004:1194; Purgal-Popiela, 2011:38; Rosenbusch & Cseh, 2012:73; Sharma, 2012:16). Enterprises should therefore provide relevant pre-departure and post-arrival training, to assist spouses with adjusting to the host culture and language, and with developing social competences and networking skills (Cherry, 2010:140; Lund & Degen, 2010:70; Okpara & Kabongo, 2011:29).

Gupta *et al.* (2012b:17-21), Lund and Degen (2010:70), Mansour and Wood (2010:387), and Rosenbusch and Cseh (2012:63) found that spouses in general did not receive relevant pre-departure training from the expatriate's enterprise, and were sent to the host country unprepared, without any briefing about the new culture they would experience. Sims and Schraeder (2004:76) state that many managers believe that pre-departure training for expatriates and their spouses is expensive, time consuming, and often ineffective in reducing culture shock. Multinationals are unwilling to invest in training programmes due to previously high expatriate failure rates. Programmes that exist then tend to be ineffective and run by unqualified individuals (Lund & Degen, 2010:70).

Mansour and Wood (2010:388), Mohr and Klein (2004:1195), Rosenbusch and Cseh (2012:63), and Takeuchi, Yun and Tesluk (2002:29) state that a spouse's inability to adjust

has a negative effect on an expatriate's intention to stay in the host country and complete the assignment; however, spouses in general do not receive training from the MNE. Enterprises should provide pre-departure and in-country cross-cultural and basic language training to spouses, as the greater the cultural differences between the home and host countries, the more difficult it will be for accompanying spouses to adjust (Andreason, 2008:388; Mäkelä, Käsälä and Suutari, 2011:190; Mohr & Klein, 2004:1195; Rosenbusch & Cseh, 2012:73). As a result, the following hypotheses were developed and tested:

- H<sub>20</sub>:** There is no difference between the training required by trailing spouses and the training provided to them by the multinational enterprise prior to the assignment.
- H<sub>2A</sub>:** There is a difference between the training required by trailing spouses and the training provided to them by the multinational enterprise prior to the assignment.

### 1.3.3. Support Requirements

According to Cherry (2010:133), Cho *et al.* (2013:1052), Handler *et al.* (1997:69), Konopaske *et al.* (2005:412), and Wilson (2011:38), overseas assignments usually require trailing spouses to give up the current and familiar structure and stability in their lives, increasing their uncertainty and stress levels and inhibiting their ability to adjust. Unlike the expatriate, the spouse does not always receive support from the MNE, either before or during the assignment, and MNEs often fail to establish support policies and programmes regarding trailing spouses (Cherry, 2010:133; Cole, 2012:313; Fish, 2005:226; Purgal-Popiela, 2011:38).

Cherry (2010:140) states that enterprises should be supportive of trailing spouses, as they deal with the challenges that arise as a result of leaving behind their career, home, family and friends. One of the primary stressors for trailing spouses is the anticipated loss of social support provided by family and friends in the home country. This lack of support increases the spouse's feelings of isolation, which has been known to cause conflict within the family, resulting in decreased spousal adjustment and expatriate productivity (Andreason, 2008:389; Cherry, 2010:133; Crowne & Goeke, 2012:10; Harvey, 1997a:630; Mäkelä, Käsälä and Suutari, 2011:190; Mohr & Klein, 2004:1193; Smart, 2011:31; Wilson, 2011:38). Trailing spouses therefore require strong social support from host nationals as well as the enterprise, in order to successfully adjust in the host country and to reduce failure that often occurs within the first year of an assignment. According to Cole (2012:313), Fischlmayr and

Kollinger (2010:472), Long (2010:178), Wilkinson and Singh (2010:178), and Wilson (2011:17-18), social support has a significant effect on psychological well-being and personal growth, reducing uncertainty and allowing spouses to get advice from host nationals, form friendships, and share experiences with like-minded people.

Harvey and Buckley (1998:99), Konopaske *et al.* (2005:408) and Mäkelä, Känslä and Suutari (2011:186) define a dual-career family as a couple where both the husband and wife are employed, psychologically committed to their work, and earning an income for the family. Recent trends indicate that the number of dual-career couples sent on international assignments is growing significantly. Enterprise support for these families before, during, and after an assignment is necessary to help minimise their uncertainty and stress (Harvey, 1995:224; Konopaske *et al.*, 2005:408, Mäkelä, Känslä and Suutari, 2011:188; Wilson, 2011:76).

Dual-career couples are often faced with many issues and problems when an expatriate manager accepts an international assignment. These problems often arise when trailing spouses seek employment in the host country, as spouses are often unable to find suitable or satisfying work, or are ineligible to work in host countries with conservative cultures. When giving up their careers, trailing spouses experience role changes and feel a loss of identity and self-esteem. The anticipated loss of additional income and career development may also reduce the expatriate family's living standards, and lead to disagreements within the family (Cho *et al.*, 2013:1053; Harvey, 1995:226; Konopaske *et al.*, 2005:407; Lauring & Selmer, 2010:61; Shaffer, Kraimer, Chen & Bolino, 2012:1295). The resultant stress experienced by spouses in this situation often has a crossover effect on the expatriate's work performance and adjustment, increasing the likelihood of failure (Andreason, 2008:390; Gupta *et al.*, 2012a:3560; Harvey, 1997a:630; Lazarova *et al.*, 2010:93; McNulty, 2012:421-422; Rosenbusch, 2010:116; Rosenbusch & Cseh, 2012:63).

Andreason (2008:388) and Rosenbusch and Cseh (2012:63) mention that spouses who do not experience a change in their employment status adjust more easily on an international assignment than those who give up, or put their careers on hold. According to Cole (2012:313), Mäkelä, Känslä and Suutari (2011:188), Vögel and Van Vuuren, (2008:85), and Wilson (2011:67), enterprises should provide trailing spouses with employment assistance, as spouses who are employed in the host country receive social support, and learn culture-specific behaviours from their host-national colleagues in the workplace. Enterprise

assistance may include the creation of a position within the foreign subsidiary, assistance with obtaining the necessary work permits, recommending the spouse to other enterprises operating in the host country, or the payment of a spouse's further education expenses.

McNulty (2012:428) found that only 36 percent of trailing spouses were able to continue with their careers in the host country, due to visa or work permit restrictions. Harvey (1995:234) states that only 8 percent of enterprises provide trailing spouses with employment opportunities within the enterprise, 35 percent assist the trailing spouse with finding other employment, and 29 percent assist with obtaining the necessary work permits. Kupka and Cathro (2007:960) found that only 10 percent of trailing spouses who were employed in the host country were assisted by the enterprise in their job search, while 85.7 percent of spouses struggled to obtain work by themselves.

Expatriates often refuse an international assignment due to the negative impact the assignment may have on their spouse's career, or their spouse may refuse to accompany them as they are committed to their own careers (Brown, 2008:1019; Cho *et al.*, 2013:1053; Els, 2007:23; Fischlmayr & Kollinger, 2010:458; Mäkelä, Känvälä and Suutari, 2011:188). Job and career issues and the absence of enterprise support create unwanted pressure and stress for trailing spouses (Konopaske *et al.*, 2005:407).

Wilkinson and Singh (2010:170) are of the opinion that the negative effects of stress experienced by trailing spouses can be controlled through the provision of enterprise support. Without the necessary support, trailing spouses take longer to adjust in the foreign environment, which increases their and the expatriate's stress, as well as the likelihood of expatriate failure (Andreason, 2008:299; Cole, 2012:313; Gupta *et al.*, 2012b:6; Harvey & Wiese, 1998a:365). Wilson (2011:77) emphasises the importance of enterprise support for expatriate trailing spouses, and states that the costs associated with expatriate failure far outweigh those of providing spouses with support assistance. Nevertheless, a survey by Cartus (in Wilson, 2011:22) reported a 6 percent decrease in enterprises' spouse support programmes between 2007 and 2010, which was accompanied by a 15 percent decrease in the number of trailing spouses who accompanied expatriates on international assignments.

Forster (1997:427) discusses the fact that MNEs fail to provide adequate support for expatriates and their spouses while on assignment, which reduces the probability of such families accepting international assignments in the future. Enterprises should therefore provide support for the spouse during the assignment, in the form of employment assistance,



mentoring programmes, expatriate communities, enterprise social gatherings, health clubs, or regular visits back home, to reduce stress associated with adjusting to an unfamiliar environment. Enterprise assistance may also include housing, shopping, schooling advice, counselling, stress monitoring, and supporting work-life balance by introducing the family to leisure, social, and cultural activities (Cole, 2012:313; Crowne & Goeke, 2012:10; Gupta *et al.*, 2012b:1; Harvey, 1997a:649; Luring & Selmer, 2010:61; Rosenbusch & Cseh, 2012:63; Wilkinson & Singh, 2010:173-174). As a result, the following hypotheses were developed and tested:

**H<sub>30</sub>:** There is no difference between the support required by trailing spouses and the support provided to them by the multinational enterprise during the assignment.

**H<sub>3A</sub>:** There is a difference between the support required by trailing spouses and the support provided to them by the multinational enterprise during the assignment.

#### **1.4. RESEARCH DESIGN**

A research design is the blueprint for collecting, measuring and analysing a set of data in order to answer a research question. The plan contains clear objectives or directions, indicates how sources of data will be selected, and outlines any constraints that may arise (Blumberg, Cooper & Schindler, 2008:69; Bryman & Bell, 2007:40; Cooper & Schindler, 2011:139; Lee & Lings, 2008:182; Saunders, Lewis & Thornhill, 2009:137).

The following research design was used to determine the requirements of current trailing spouses, and to compare their requirements with those which their respective multinational provided, in terms of preparation, training and support.

##### **1.4.1. Degree of Research Question Crystallisation**

According to Blumberg *et al.* (2008:196), Cooper and Schindler (2011:140), Hair, Money, Samouel and Page (2007:153), and Saunders *et al.* (2009:139), a research design may be viewed as exploratory, formal (otherwise referred to as descriptive), or causal. An exploratory study tends towards loose structures and aims to improve one's understanding of a problem or opportunity, enabling the researcher to discover issues for future research. A formal study begins where an exploratory study leaves off, with a clear research question that will later be answered, or hypotheses that will be tested. This type of study uses precise procedures and data source specifications to obtain data to describe the characteristics of the

research, or to discover associations among variables. Causal research tests whether or not one event causes or forces another to occur, or if a change in one event brings about a corresponding change in another.

This study was preceded by a comprehensive literature study, from which the hypotheses were formulated. Although an element of exploration was required for this literature study, a formal study was conducted to determine the preparation, training and support requirements of expatriate trailing spouses, before and during an international assignment. In order to develop a questionnaire, a further literature study was then conducted.

#### **1.4.2. Method of Data Collection**

According to Cooper and Schindler (2011:141), this classification distinguishes between monitoring and communication processes. Monitoring involves inspecting the activities of a subject or the nature of some material without attempting to obtain a response, as opposed to a communication study, in which subjects are questioned through interviews or telephone conversations, through experiments, or through self-administered or self-reported instruments sent electronically, by mail, or left in easily accessible locations. The subjects' responses are then recorded for analysis (Blumberg *et al.*, 2008:197; Cooper & Schindler, 2011:141). According to Bryman and Bell (2007:304), Hair *et al.* (2007:195), and Lee and Lings (2008:255), content analysis involves obtaining data by monitoring and examining the content or message of written text.

Primary data was collected for this study through a communication study in the form of a self-administered instrument. Electronic questionnaires were sent to expatriate spouses currently on international assignment. Demographic questions were included, as well as criteria adapted from the literature regarding preparation, training and support that spouses required, or received from the enterprise before and/or during the assignment. The questions were set out in such a way that they allowed spouses to indicate, according to a 5-point Likert scale, whether or not they felt a specific criterion was required to aid in their adjustment, as well as whether or not the expatriate's enterprise provided that particular criterion.

#### **1.4.3. Type of Data**

Data collected during the research process may be qualitative or quantitative. Qualitative research is based on "researcher immersion in the phenomenon to be studied, gathering data which provide a detailed description of events, situations, and interactions between people

and things, providing depth and detail” (Cooper & Schindler, 2011:140). Quantitative research attempts to attain a precise measurement of something such as consumer knowledge, opinions, or attitudes. Quantitative research aims to test theory using statistical analysis, whereas qualitative research builds theory and rarely tests it. With quantitative research, data numbers are used to represent the characteristics of something, while qualitative data is represented in a textual form (Blumberg *et al.*, 2008:192; Bryman & Bell, 2007:402; Hair *et al.*, 2007:151; Lee & Lings, 2008:233; Saunders *et al.*, 2009:151).

This study made use of quantitative data in the form of trailing spouses’ opinions, to test the above-mentioned hypotheses and to form recommendations regarding their preparation, training and support requirements.

#### **1.4.4. Researcher’s Control of Variables**

Researchers have the ability to manipulate variables during the research process. The extent to which they are able to do this depends on whether an experiment or an ex-post facto design is being used. In an experiment, researchers may control and/or manipulate the variables in the study if they wish to ascertain whether or not specific variables can affect others. On the other hand, with an ex-post facto design, researchers cannot manipulate or control variables and can only report what has occurred or is occurring (Blumberg *et al.*, 2008:197; Bryman & Bell, 2007:44; Cooper & Schindler, 2011:141; Saunders *et al.*, 2009:142).

An ex-post facto design was used for this study, since the research process was an after-the-fact event; the researcher had no control over the variables, and was unable to manipulate them during their answering of the questionnaire.

#### **1.4.5. Purpose of the Study**

According to Blumberg *et al.* (2008:10-11) and Cooper and Schindler (2011:141), depending on its purpose, a research study may be either reporting, descriptive, causal-explanatory, or causal-predictive. Reporting studies summarise data to attain a deeper understanding of something, or for example produce statistics to compare objects. A descriptive study aims to establish who, what, where, when or how much, while a causal-explanatory study is concerned about learning why, or aims to determine how variables affect one another (the relationship between them). A causal-predictive study attempts to predict the effect a variable can have on another if it is manipulated, while all other variables remain constant.

A descriptive study was used to determine trailing spouses' requirements in terms of preparation, training and support during and prior to an international assignment.

#### **1.4.6. Time Dimension**

In terms of the time dimension of the research, studies can be classified as either cross-sectional or longitudinal. A cross-sectional study is a once-off study which collects data on all the variables present at a specific point in time to note similarities or differences, while longitudinal studies are repeated over an extended period, to identify trends or seasonal patterns in the same sample. Longitudinal studies may be in the form of a panel where the same people are studied over a period of time, or a cohort group where different people who share a specific characteristic are used for each measurement. The use of longitudinal studies is limited, as they are expensive and time consuming. (Blumberg *et al.*, 2008:199; Bryman & Bell, 2007:55; Bryman & Bell, 2011:53-57; Cooper & Schindler, 2011:142; Hair *et al.*, 2007:129; Lee & Lings, 2008:197-198; Saunders *et al.*, 2009:155).

This research required a cross-sectional study to determine preparation, training and support requirements identified by spouses as necessary for adjustment. Similarities and differences between trailing spouses' opinions on their requirements were noted at one point in time.

#### **1.4.7. Topical Scope**

A research report may be classified as a statistical study or a case study. According to Blumberg *et al.* (2008:199-200) and Cooper and Schindler (2011:141), statistical studies focus on the breadth of information rather than the detail, and attempt to capture a population's characteristics by making deductions from the sample's characteristics determined through the study. In a statistical study, hypotheses are tested quantitatively, and generalisations are presented based on the representativeness of the sample and the validity of the design. Case studies, on the other hand, focus on the depth of information, and attempt to gain a "full contextual analysis of fewer events or conditions" by relying on qualitative data, which often complicates the researcher's ability to support or reject a proposition.

A statistical study was used to determine the preparation, training and support requirements of trailing spouses included in the study. The hypotheses were tested quantitatively and the results from the sample were then used to make assumptions regarding the population of current expatriate trailing spouses, and their requirements before and during an assignment.

#### **1.4.8. Research Environment**

Research may take place under actual environmental conditions, otherwise known as field conditions, or the environment may be manipulated under laboratory conditions (Blumberg *et al.*, 2008:200; Bryman & Bell, 2007:44; Cooper & Schindler, 2011:142).

Owing to the fact that conditions could not be staged or manipulated as expatriate trailing spouses completed the online questionnaire while on an international assignment, the research for this study was conducted under field conditions.

#### **1.5. CHAPTER OUTLINE**

This study consists of six chapters, as outlined below:

- **Chapter 1: Introduction and Problem Statement**

Chapter one covers the introduction and background to the study, the literature review and resultant hypotheses, as well as a brief explanation of the methodology to be used throughout the study.

- **Chapter 2: International Human Resource Management**

Chapter two consists of two main themes, namely International Human Resource Management (IHRM) and Expatriates. The IHRM section discusses the strategic role of IHRM and leads into the expatriate section, which consists of a comprehensive study of expatriate literature, with the main focus being on expatriate failure. Other topics covered include the different staffing policies, forms of expatriates, and their strategic role in multinational enterprises.

- **Chapter 3: Expatriate Trailing Spouses**

Chapter three focuses on expatriate trailing spouses, as their inability to adjust has been found to be the primary cause of expatriate failure. The reasons behind this as well as their preparation, training and support requirements as discussed in the literature are explored in this chapter.

- **Chapter 4: Research Methodology**

A detailed description of the methodology to be followed throughout the study is given in Chapter four. The chapter includes details regarding the sample, how the questionnaire was developed, and how primary data was captured and processed.

- **Chapter 5: Analysis and Interpretation of Results**

Chapter five records and analyses the results of the empirical research findings regarding the preparation, training and support requirements of expatriate trailing spouses.

- **Chapter 6: Conclusion and Recommendations**

The last chapter provides a discussion of the research findings and states conclusions that can be drawn from the study's findings. These conclusions lead to the development of recommendations for MNEs when preparing and training expatriate spouses for overseas assignments, as well as the development of potential support mechanisms that may improve the spouses' experiences during overseas assignments.

## 1.6. ABBREVIATIONS

The following abbreviations were used in the text:

• Comma-delimited Format	CSV
• Confirmatory Factor Analysis	CFA
• Cultural Intelligence	CQ
• Exploratory Factor Analysis	EFA
• Foreign Direct Investment	FDI
• General Motors Acceptance Corporation	GMAC
• Host-Country National	HCN
• Human Resources	HR
• Human Resource Management	HRM
• International Human Resource Management	IHRM

- Multinational Enterprise MNE
- National Foreign Trade Council NFTC
- Parent-Country National PCN
- PricewaterhouseCoopers PWC
- Self-initiated Expatriate SIE
- Social Learning Theory SLT
- Strategic Human Resource Management SHRM
- Third-Country National TCN
- U-Curve Theory UCT
- United Arab Emirates UAE
- United Kingdom UK
- United States of America US
- Work-Family Conflict WFC
- Work-Life Balance WLB

### **1.7. REFERENCING TECHNIQUE**

The Harvard referencing technique was used for all references used throughout this study.

**CHAPTER 2****INTERNATIONAL HUMAN RESOURCE MANAGEMENT****2.1. INTRODUCTION**

An enterprise's success is determined by its ability to acquire and build an effective workforce with unique capabilities that allow the enterprise to meet strategic objectives, and gain a competitive advantage over its rivals. An enterprise's human resources therefore consist of its highly capable, motivated and adaptive workforce, while human capital describes the economic value of its employees' knowledge, skills and capabilities (Cascio, 2006:6; Grobler, Wärnich, Carrell, Elbert & Hatfield, 2011:3; Kozlowski, 2011:271; Snell & Bohlander, 2010:13; Wright, McMahan & McWilliams, 1993:6).

According to Hitt, Bierman, Shimizu and Kochhar (2001:13) and Snell and Bohlander (2010:14), human capital is intangible and cannot be managed in the same manner as products or technologies. Employees own their own human capital, enabling them to take it with them if they leave an enterprise. Enterprises should therefore institute staffing and development policies to recruit and train the best and brightest talent available, in order to enhance the enterprise's competitive advantage. Human Resource Management (HRM) crosses all the functional areas of an enterprise and is fully integrated with the operations, marketing, and finance departments, dealing with various activities that directly involve bringing different kinds of people together to achieve a common purpose. These activities include, but are not limited to; recruitment and selection practices, training and development, incentive systems (including remuneration, appraisal, promotion and career advancement), and work organisation which involves job design, and the distribution of authority among managers and workers (Bloom & Van Reenen, 2011:1698-1701; Chuang & Liao, 2010:154; Grobler *et al.*, 2011:9-11; Kozlowski, 2011:282; Lengnick-Hall, Lengnick-Hall, Andrade & Drake, 2009:64; Snell & Bohlander, 2010:4).

International Human Resource Management (IHRM) encompasses HRM in enterprises that operate on a global scale, in countries other than that of the multinational's headquarters. IHRM is therefore the global management of employees within a multinational enterprise, with staffing, performance and compensation activities complicated by profound differences between languages, cultures, and legal, political and economic systems (Grobler *et al.*, 2011:639; Hill, 2011:604; Lengnick-Hall *et al.*, 2009:64; Sheehan & Sparrow, 2012:2396;



Van den Born & Peltokorpi, 2010:97). Beardwell and Claydon (2010:19) define IHRM as a “set of distinct activities, functions and processes that are directed towards attracting, developing and maintaining human resources in a multinational corporation”. IHRM places greater emphasis on functions and activities such as relocation, orientation and translation services than domestic HRM, in order to assist expatriates with adapting to foreign cultures. IHRM has developed from a focus on staffing decisions to the evaluation of international business and strategy. Ghafoor *et al.* (2011:336) discuss the role that IHRM plays in gaining competitive advantage over other enterprises, through the reduction of costs and improvements in global sourcing of products and services.

## **2.2. THE DIFFERENCE BETWEEN HRM AND IHRM**

According to Dowling, Festing and Engle (2008:5), Hill (2011:604), and Scullion and Linehan (2005:5), the two variables which differentiate domestic HRM from IHRM are the complexities of operating in a global environment, as well as dealing with employees from diverse cultural backgrounds. While domestic HRM is concerned with employees within one national boundary, IHRM deals with the parent country, the host country, and other countries from which the enterprise may source materials or services. IHRM also involves three types of employees: parent-country nationals, host-country nationals and third-country nationals. When operating in multiple foreign environments, multinationals are faced with issues such as international taxation and relocation, host-government relations and labour laws, language and cultural barriers, and orientation and training programmes. Human Resources (HR) staff are required to have a broader perspective on issues, as they deal with employees from different countries and cultures who have different work ethics and lifestyle preferences.

While domestic HR usually provides employees with health insurance and basic assistance during relocation, IHRM involves a greater degree of involvement in employees’ and their families’ personal lives. In a multinational enterprise, HR personnel need to organise housing and schooling arrangements, healthcare, work visas, appropriate training programmes and also various cost-of-living and premium allowances for expatriates who are assigned to foreign countries. The essence of IHRM is then the knowledge of conditions in a variety of host countries, and how to manage these conditions and differences across global borders (Auzini & Tjakraatmadja, 2012:2; Cascio, 2006:654; Dowling *et al.*, 2008:7; Rahim, 2012:189; Scullion & Linehan, 2005:6; Tornikoski, 2011a:23).

## **2.3. THE STRATEGIC IMPORTANCE OF HUMAN RESOURCE MANAGEMENT**

According to Barney (1991:105), Bonache and Fernández (1997:459), and Wright, Dunford and Snell (2001:712), sustained competitive advantage is derived from an enterprise's resources and capabilities (including managerial skills, processes and enterprise knowledge) that are valuable, rare, inimitable and non-substitutable. Buller and McEvoy (2009:329) and Carpenter and Sanders (2009:102) state that competitors within a given industry do not have access to the same resources and capabilities, and that an enterprise's resources and capabilities may not be as effective as those of its competitors in sustaining a competitive advantage.

Strategic Human Resource Management (SHRM) involves recruiting and developing individuals with knowledge, skills and abilities that are consistent with the enterprise's strategy, enabling the enterprise to create human capital that is valuable, unique, and difficult to replicate, providing it with a competitive advantage. This resource-based view of SHRM seeks to discover how an enterprise's human resources can provide sustainable competitive advantage, which exists when competitors are unable to duplicate the benefits of an existing competitive advantage. For a resource to be the source of sustainable competitive advantage, it must be valuable (V), rare (R), inimitable (I), non-substitutable (N), and exploitable (E). Human resources have the highest probability of being the source of sustained competitive advantage, as they are more likely than other enterprise resources to fulfil the above criteria (Beardwell & Claydon, 2010:50; Carpenter & Sanders, 2009:103; Hitt *et al.*, 2001:13; Kozlowski, 2011:278-279; Lengnick-Hall *et al.*, 2009:78; McWilliams, Van Fleet & Wright, 2001:5; Snell & Bohlander, 2010:50; Van den Born & Peltokorpi, 2010:102; Wright *et al.*, 1993:2-5).

### **2.3.1. Human Resources as Valuable**

According to Barney (1991:106), Cardeal and António (2012:10161), and Wright *et al.* (1993:8), human resources are a source of sustainable competitive advantage when they provide value for an enterprise. Firm Specific Human Capital Theory states that human capital can create value for an enterprise when both the demand for labour is heterogeneous (enterprises have different jobs which require different skills) and the supply of labour is heterogeneous (employees differ in both the types and levels of their skills). This implies that both enterprises and their competitors may require diverse skill sets for their different

positions, and that potential employees possess these diverse skills to meet employer requirements, providing an opportunity for value creation within the enterprise. It can then be said that variance exists between individuals' contribution value to an enterprise (McWilliams *et al.*, 2001:5; Wright *et al.*, 1993:8).

Carpenter and Sanders (2009:103-104) are of the opinion that valuable resources and capabilities enable an enterprise to take advantage of opportunities in the market and to protect the enterprise from market uncertainties or threats in its environment. They also have the potential to contribute to normal profits, allowing an enterprise to compete in a given industry. The resource-based view suggests that if the HR function is to be a 'strategic partner' in an enterprise, it needs to know which HR aspects contribute the most towards a sustainable competitive advantage, as some aspects may provide greater leverage than others (Beardwell & Claydon, 2010:51). Beardwell and Claydon (2010:51), Cardeal and António (2012:10161), and Lengnick-Hall *et al.* (2009:70) discuss the fact that an enterprise's human resources can create value by reducing costs and increasing revenue through efficiency, flexible working practices, and customer selection, retention, and referral. These practices have also been found to enhance customer service and customer added value, proving HR to be a valuable enterprise-wide resource.

However, Barney (1991:106), Beardwell and Claydon (2010:51), Cardeal and António (2012:10161) and Carpenter and Sanders (2009:105) provide evidence that value alone is insufficient in providing an enterprise with a sustainable competitive advantage, as competitive parity exists when competitors possess the same value as an enterprise. Human resources should then also be rare in nature if they are to provide an enterprise with a sustainable competitive advantage.

### **2.3.2. Human Resources as Rare**

Barney (1991:104), Cardeal and António (2012:10161), and Carpenter and Sanders (2009:105) argue that if competitors possessed the same valuable resource, they would probably make use of it in the same way, ultimately implementing the same value-creating strategy, and reducing the possibility of the organisation's achieving a competitive advantage. HR managers need to be able to develop and exploit rare characteristics of an enterprise's valuable human resources in order to gain a competitive advantage (Beardwell & Claydon, 2010:51; Carpenter & Sanders, 2009:105).

For example, McWilliams *et al.* (2001:6) and Wright *et al.* (1993:10) state that human skills are normally distributed among the population. High-quality human resources may then be classified as rare, with only a few individuals within a human resource pool possessing high skill levels. Cognitive ability is one of the best predictors of work performance and can be seen as a quality measure of human resources. Cognitive ability is then normally distributed in the population, making employees with high ability levels rare. Therefore enterprises with average cognitive ability higher than that of their competitors possess valuable and rare human resources. Enterprises with international operations have access to and can draw from various labour pools, increasing their potential for developing an HR-based competitive advantage.

For an enterprise's human resources to be classified as rare does not require exclusive ownership, but rather that the resources or capabilities should be scarce relative to demand (Carpenter & Sanders, 2009:105). In terms of rarity, Barney (1991:107) states that as long as the number of enterprises that possess a specific resource is less than the number required to generate perfect competition within an industry, that resource has the potential to create a competitive advantage.

### **2.3.3. Human Resources as Inimitable**

When an enterprise's human resources are valuable and rare, they are able to provide a temporary competitive advantage. However, if competitors are able to imitate the enterprise's characteristics, then competitive advantage will probably be replaced with competitive parity (Barney, 1991:107; Beardwell & Claydon, 2010:52; Cardeal & António, 2012:10161; Carpenter & Sanders, 2009:105). Unless a resource is impossible, difficult, or costly to imitate, it cannot be a source of sustainable competitive advantage for an enterprise. If the competitive advantage gained from having high-quality human resources can be easily imitated, then an enterprise cannot create a sustainable competitive advantage. In order to imitate a resource, competitors need to be able to identify the source of the competitive advantage, and be able to duplicate both the relevant components of the HR pool and the circumstances under which these resources function (Carpenter & Sanders, 2009:105; McWilliams *et al.*, 2001:6-7; Wright *et al.*, 1993:11).

As discussed by Barney (1991:107-108), Beardwell and Claydon (2010:52), Cardeal and António (2012:10161), and Wright *et al.* (1993:12), resources are often more difficult to imitate in the presence of unique historical conditions, causal ambiguity, and social

complexity. Human resources can be seen as unique in their ability to create and be influenced by these three factors.

According to the resource-based view, the ability of an enterprise to acquire and exploit certain resources is partly dependent upon its *unique history and culture* (Barney, 1991:107; Beardwell & Claydon, 2010:52; Cardeal & António, 2012:10161; Carpenter & Sanders, 2009:106). An enterprise's unique culture, practices, and behaviours enable it to 'leapfrog' its competitors, and they are usually costly or impossible to duplicate. With regard to *causal ambiguity*, Barney (1991:109), Beardwell and Claydon (2010:52-53), Cardeal and António (2012:10161), and Carpenter and Sanders (2009:107) state that if a competitor is unable to identify the manner in which an enterprise's human resources act as a competitive advantage, or if the link between an enterprise's resources and its competitive advantage is not clearly understood by competitors, it may be impossible for them to imitate the responsible resources.

*Social complexity*, which arises from human interactions and effective teamwork, refers to the fact that many social phenomena, such as relationships between key personnel, are too complex for outsiders to understand and successfully manage or influence to their advantage. A competitive advantage that arises from transaction-specific human capital (such as the knowledge and trust developed over time by personnel, which is of value only to their specific relationship) is valuable, rare and almost impossible to imitate or manipulate in a systematic way (Barney, 1991:110; Beardwell & Claydon, 2010:52-53; Cardeal & António, 2012:10161; Carpenter & Sanders, 2009:107; Wright *et al.*, 1993:12-14).

Competitive advantages resulting from an enterprise's culture and norms, or transaction-specific human capital can only be duplicated if a competitor is able to identify and replicate the exact historical occurrences, political alliances, programmes, and employee personalities and relationships within an enterprise. Existing contingencies among enterprises make it almost impossible to imitate such competitive advantages (Carpenter & Sanders, 2009:106-107; McWilliams *et al.*, 2001:7; Wright *et al.*, 1993:14).

#### **2.3.4. Human Resources as Non-Substitutable**

If human resources are to be the source of competitive advantage for an enterprise, they must be valuable, rare, inimitable, and not have viable substitutes. If other resources (such as technology) are able to successfully act as a substitute for advantages associated with human

capital, then human resources do not have the potential to become a sustainable competitive advantage (Barney, 1991:111; Carpenter & Sanders, 2009:105-106; Wright *et al.*, 1993:15).

Non-substitutability is realised if competitors are unable to achieve the same benefit using different combinations of similar resources and capabilities (Barney, 1991:111; Carpenter & Sanders, 2009:106). McWilliams *et al.* (2001:7-8) and Wright *et al.* (1993:15-16) maintain that human resources have the potential to not become obsolete, as well as to be transferred across various technologies, products and markets. For example, if an enterprise's employees have high levels of cognitive ability; constant state-of-the-art technological training will ensure that their abilities do not become obsolete. This cognitive ability may also be transferred across various technologies, products and markets. It may be possible to substitute HR with other resources (technologies) in the short term, but as these resources are not rare, inimitable, or non-substitutable, they will soon be imitated by competitors, and human resources will again constitute a competitive advantage. It is therefore unlikely that such a substitution would provide an enterprise with a sustainable competitive advantage. According to Barney (1991:111), a competitor may imitate an enterprise's high-quality top management team, but may be unable to copy the team exactly. This may result in a unique management team that is strategically equivalent to the enterprise's management team, proving to be a viable substitute.

According to this resource-based view, if certain aspects of an enterprise's human resources do not provide value, they can only be a source of competitive disadvantage and should be discarded. Aspects that are valuable and rare, but that can be duplicated or substituted provide enterprises with only a temporary competitive advantage that is likely to be copied by competitors. Therefore, Beardwell and Claydon (2010:54), Carpenter and Sanders (2009:103), Lengnick-Hall *et al.* (2009:71), and Wright *et al.* (1993:16) state that human resources that can be classified as a source of sustainable competitive advantage provide value to an enterprise, are rare, and are difficult to imitate or substitute.

### **2.3.5. Human Resources as Exploitable**

According to Buller and McEvoy (2009:329), Carpenter and Sanders (2009:107-108), and Hitt *et al.* (2001:23), the mere possession of or control over a resource or capability is necessary, but does not provide an enterprise with a competitive advantage. An enterprise must be able to nurture and take advantage of the resources or capabilities that it possesses. If an enterprise is unable to exploit the resource or capability, it will not gain many benefits

even if the resource satisfies the above four criteria, and may inevitably increase its opportunity costs and decrease its financial performance.

## **2.4. INTERNATIONAL STRATEGIES**

According to Bartlett and Ghoshal (1989:13), Beardwell and Claydon (2010:649), and Snell and Bohlander (2010:658), enterprises differ in the extent to which they participate in global competition. International operations may take the form of an international enterprise, a multinational enterprise, a global enterprise or a transnational enterprise. The chosen international strategy affects the decision on which country the employees will be hired from, influencing which staffing policy the enterprise will put in place (Konopaske, Werner & Neupert, 2002:762).

### **2.4.1. International Enterprise**

An international enterprise is formed when a domestic enterprise builds on its existing capabilities to expand into international markets. According to Bartlett and Ghoshal (1989:15), Grobler *et al.* (2011:637), and McWilliams *et al.* (2001:2), the strategy of an international enterprise is based primarily on transferring and adapting the parent enterprise's knowledge and capabilities to suit foreign markets. Because they experience low pressure for both cost reductions and local responsiveness, these enterprises sell domestic products in international markets with only minimal customisation. The headquarters of international enterprises have less control and influence over subsidiaries, making it less efficient than a global enterprise. Subsidiaries also have less independence when adapting products and services to suit local markets, making them less responsive than multidomestic enterprises. However, international enterprises do not face significant competition in foreign markets, minimising the need for customisation or a low cost structure (Bartlett & Ghoshal, 1989:59; Beardwell & Claydon, 2010:650; Hill, 2011:422; Snell & Bohlander, 2010:658).

### **2.4.2. Multidomestic Enterprise**

A multidomestic enterprise has independent subsidiaries operating in multiple countries under high pressure for local customisation and low pressure to reduce costs. The purpose of a multidomestic is to build strong local presence through sensitivity and responsiveness to cultural and regulatory differences between international markets (Bartlett & Ghoshal, 1989:14; Beardwell & Claydon, 2010:650; Hill, 2011:420). A multidomestic makes use of decentralised decision making, with limited control over subsidiaries, and takes advantage of

globally dispersed resources, enabling it to respond to local needs. However, efficiency is reduced due to the fragmentation of activities, and enterprise learning suffers, as knowledge is not transferred between subsidiaries and headquarters. A multidomestic enterprise is appropriate when the added value associated with local customisation supports higher pricing, or increases demand, enabling the enterprise to reduce costs through economies of scale (Bartlett & Ghoshal, 1989:59; Beardwell & Claydon, 2010:650; Grobler *et al.*, 2011:637; Hill, 2011:421; Lockett, Thompson & Morgenstern, 2009:19; Snell & Bohlander, 2010:658).

### **2.4.3. Global Enterprise**

According to Bartlett and Ghoshal (1989:14), Beardwell and Claydon (2010:650), Grobler *et al.* (2011:637), and McWilliams *et al.* (2001:3), a global enterprise maintains control of its worldwide operations from its headquarters in the parent country, marketing a standardised product worldwide in order to achieve economies of scale through the integration of global production processes. Global enterprises are driven by a need for global efficiency, building low-cost advantages through centralised decision making and global-scale operations. Although global enterprises are efficient when managing innovations (creating new products at low cost and high speed), they have neither the motivation nor the ability to respond to the needs of local markets. Enterprises experience high pressure for cost reductions and low pressure for local responsiveness. Those at headquarters fail to understand market needs and production realities outside their home country, which prevents them from taking advantage of learning opportunities in other markets (Bartlett & Ghoshal, 1989:58-59; Beardwell & Claydon, 2010:650; Hill, 2011:419-420; McWilliams *et al.*, 2001:3; Snell & Bohlander, 2010:658).

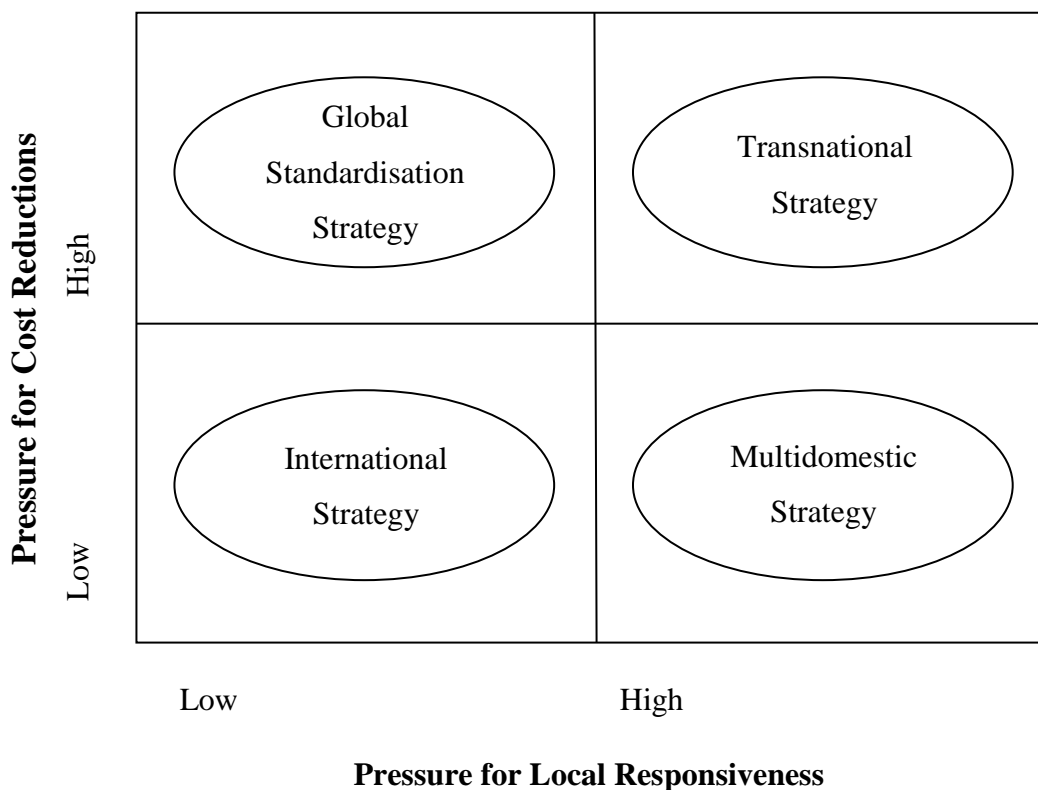
### **2.4.4. Transnational Enterprise**

Findings from Bartlett and Ghoshal (1989:59), supported by Hill (2011:421) and McWilliams *et al.* (2001:3), indicate that a transnational enterprise attempts to overcome the inefficiencies of global, multidomestic and international enterprises. It takes advantage of a multidomestic's local responsiveness, as well as the efficiency of a global enterprise, experiencing high pressure for both cost reductions and local responsiveness. Transnational enterprises aim to simultaneously develop and exploit knowledge on a global basis, and achieve global efficiency to improve competitiveness, as well as national responsiveness to develop enterprise-wide flexibility.



A transnational enterprise both centralises and decentralises its resources and capabilities to simultaneously take advantage of scale economies, to protect core capabilities, create flexibility and to reduce dependence on a single facility. As mentioned by Ball, Geringer, McNett and Minor (2012:240), upstream value-chain activities (product development, raw materials sourcing and manufacturing) tend to be centralised, while downstream activities, including marketing and sales, tend to be decentralised and located in close proximity to the customer. Transnationals create products with features that can be differentiated by market, while the core design and basic elements are standardised. Although centrally designed products are still important, innovations are often created by subsidiaries, as transnational enterprises recognise that different components of an enterprise possess different capabilities (Bartlett & Ghoshal, 1989:57-65; Beardwell & Claydon, 2010:650; Grobler *et al.*, 2011:637; Snell & Bohlander, 2010:658).

**Figure 2.1 International Strategies**



Source: Ball, Geringer, Minor & McNett (2010:375)

## 2.5. TYPES OF STAFFING POLICY

In his seminal work, Perlmutter (1969:12) identified three staffing policies used by enterprises, namely ethnocentric, polycentric, and geocentric, while according to Beardwell and Claydon (2010:657), Grobler *et al.* (2011:640), and Reiche and Harzing (2009:4), a regiocentric approach was added in a later publication by Heenan and Perlmutter (1979:70).

According to Ando *et al.* (2007:115), Briscoe *et al.* (2009:165), and Perlmutter (1969:12), these staffing policies, which form part of IHRM, bring about numerous challenges for multinational enterprises, as they recruit and retain employees sourced from multiple global locations, constantly having to consider and manage the various differences in language, cultural, and legal systems.

### 2.5.1. Ethnocentric Staffing Policy

Briscoe *et al.* (2009:165), Grobler *et al.* (2011:640), and Kang and Shen (2013:2) state that multinationals making use of an ethnocentric staffing policy hire employees from the country where the headquarters are situated, and send these employees on international assignments to foreign subsidiaries for periods greater than one year. An ethnocentric mindset is used in conjunction with an international enterprise strategy and tends to focus on transferring the enterprise's home-country values and operations to subsidiaries. Top positions in subsidiaries are therefore filled by parent-country nationals (expatriates), enabling MNEs to maintain control and coordination over subsidiaries, since parent-country nationals better understand and internalise common values and goals of the enterprise (Ando *et al.*, 2007:115; Briscoe *et al.*, 2009:165; Dörrenbächer & Geppert, 2010:603; Grobler *et al.*, 2011:641; Hill, 2011:609; Lam & Yeung, 2008:680; Perlmutter, 1969:12; Snell & Bohlander, 2010:664; Van Aswegen, 2008:42).

An ethnocentric staffing policy is commonly used during the early stages of international expansion, as a detailed knowledge of enterprise policies and procedures is often necessary when enterprises export their business models into foreign countries. However, an ethnocentric staffing policy may impose an inappropriate home-country management style, is usually more expensive than other staffing policies, and often implies blocked promotional paths for locals in the host country (Casco, 2006:640; Grobler *et al.*, 2011:640; Heenan & Perlmutter, 1979:71; Kang & Shen, 2013:2).

### **2.5.2. Polycentric Staffing Policy**

When using a polycentric staffing policy, multinationals make use of a multidomestic strategy and prefer to hire local natives from the host country into the foreign subsidiary. A polycentric mindset focuses on host-country values and ways of operating, under minimal control by headquarters. These host-country nationals are typically put in charge, allowing subsidiaries to act as distinct national entities with considerable decision-making authority (Beardwell & Claydon, 2010:657; Briscoe *et al.*, 2009:165; Dörrenbächer & Geppert, 2010:603; Grobler *et al.*, 2011:640; Hill, 2011:609; Perlmutter, 1969:13; Reiche & Harzing, 2009:3; Snell & Bohlander, 2010:664; Van den Born & Peltokorpi, 2010:98).

Colakoglu *et al.* (2009:1293), Grobler *et al.* (2011:641), Kang and Shen (2013:2), and Perlmutter (1969:12) discuss how this polycentric approach allows multinationals to take advantage of lower local salaries, improve HCN morale, and to effectively deal with language and cultural barriers that could arise if employees from the multinational's headquarters (expatriates) were used. Cascio (2006:640) is of the opinion that by hiring host-country nationals, an enterprise is able to eliminate language and cross-cultural barriers, which reduces the need for expensive training programmes.

### **2.5.3. Geocentric Staffing Policy**

Colakoglu *et al.* (2009:1293) state that a geocentric staffing policy involves a diverse staffing composition in which parent-country, host-country or third-country nationals can be found in key positions anywhere in a multinational's global operations. Enterprises using a geocentric staffing policy implement either a global standardisation or a transnational strategy. This approach focuses on global values and seeks the best people for key jobs regardless of their nationality, rewarding employees for cross-national service (Beardwell & Claydon, 2010:657; Briscoe *et al.*, 2009:165; Cascio, 2006:640; Grobler *et al.*, 2011:641; Hill, 2011:609; Perlmutter, 1969:13; Reiche & Harzing, 2009:4).

Although a geocentric staffing policy enables enterprises to develop a pool of senior international managers, this approach can prove to be expensive for enterprises, as training and relocation costs increase when transferring managers between countries. It may also be difficult and take considerable time to implement, and often requires centralised control over managers, which may lead to resentment (Cascio, 2006:640; Grobler *et al.*, 2011:642; Kang & Shen, 2013:3).

#### **2.5.4. Regiocentric Staffing Policy**

When using a regiocentric approach, multinationals make use of a global standardisation strategy and divide operations into geographical areas (for example Europe), and employ, develop and transfer the best third-country nationals within these regions. Although headquarters has reduced control over subsidiaries, this policy enables enterprises to respond effectively to local conditions, while taking advantage of lower salary and benefit requirements. A regiocentric approach makes it easier for international managers to transfer between subsidiaries; however, it may limit a manager's career advancement to that in a given region (Beardwell & Claydon, 2010:657; Briscoe *et al.*, 2009:165; Grobler *et al.*, 2011:640-641; Heenan & Perlmutter, 1979:71; Kang & Shen, 2013:3; Reiche and Harzing, 2009:4; Van Aswegen, 2008:43).

#### **2.6. EXPATRIATES**

According to Cascio (2006:628), Cascio and Aguinis (2011:397) and Grobler *et al.* (2011:640), an expatriate (or international assignee) is any citizen of one country who is working outside his or her home country with a planned return to that or a third country; or, as defined by Briscoe *et al.* (2009:165) and Haile *et al.* (2007:100), a citizen of one country who is assigned to another country to work in a foreign subsidiary, or other type of operation, for a multinational enterprise for more than one year. Cascio and Aguinis (2011:397) also refer to expatriates as foreign-service employees who staff most international operations. Fenton (2010:iii) and Ghafoor *et al.* (2011:334) describe expatriates as any professionals who live in a country other than their own, and temporarily work there for the same enterprise as they did in their home country.

Many managers make the decision to transfer internationally without being assigned to a host location by the enterprise (Doherty *et al.*, 2011:596; Fenton, 2010:2; Froese, 2011:1107; Thorn, 2009:443). These expatriates secure a job in host countries on their own initiative "without necessarily having a predetermined return schedule" (Inkson, Arthur, Pringle & Barry, 1997:359; Tornikoski, 2011a:3). According to Selmer and Luring (2012:667), these foreign nationals are under regular employment and can be referred to as self-initiated expatriates (SIEs). However, this type of SIE does not fall within the scope of this study.

An alternative form of an expatriate is an inpatriate. Briscoe *et al.* (2009:166), Grobler *et al.* (2011:640) and Moeller, Harvey and Williams (2010:170) define an inpatriate as a manager

who is transferred from an MNE's subsidiary to the headquarters for a specific period of time. Inpatriates transfer knowledge between subsidiaries and the parent enterprise and are exposed to the parent enterprise's culture, policies and practices. Inpatriation therefore helps to transfer knowledge, improve headquarter-subsidiary relationships and develop successful international managers (Hill, 2011:609; Moeller *et al.*, 2010:170; Reiche & Harzing, 2009:21-22).

Expatriates are often sent on international assignments to transfer the corporate culture and processes to foreign subsidiaries, whereas inpatriates need to adjust not only to the parent-country's culture but also to the MNE's corporate culture. Inpatriates also increase the cultural diversity at the MNE's headquarters, fostering a geocentric staffing policy, while expatriates often reflect an ethnocentric staffing policy (Ando *et al.*, 2007:115; Colakoglu *et al.*, 2009:1293; Grobler *et al.*, 2011:642; Reiche & Harzing, 2009:22). Three of the four staffing policies discussed above, namely ethnocentric, geocentric and regiocentric, make use of expatriates, while enterprises using a polycentric staffing policy employ locals from the host country (Briscoe *et al.*, 2009:165; Colakoglu *et al.*, 2009:1293; Grobler *et al.*, 2011:640; Hill, 2011:609).

### **2.6.1. Sources of Personnel**

According to Briscoe *et al.* (2009:165), Dowling and Welch (in Huynh *et al.*, 2007:5), Reiche and Harzing (2009:5), and Snell and Bohlander (2010:664), expatriation can take three forms, namely that of parent-country nationals, host-country nationals and third-country nationals.

#### **2.6.1.1. Parent-Country Nationals**

Briscoe *et al.* (2009:165), Snell and Bohlander (2010:664), and Tarique, Schuler and Gong (2006:209) state that parent-country nationals (PCNs) are citizens of the country in which the enterprise's headquarters are situated, who are employed by the head office and transferred temporarily to a foreign subsidiary. Dowling and Welch (in Huynh *et al.*, 2007:5) define parent-country nationals as employees of the parent enterprise that are transferred to a host-country subsidiary. Reiche and Harzing (2009:5) state that a PCN's nationality is the same as that of the parent country. Parent-country nationals tend to have the greatest potential to influence a subsidiary's performance, due to the strategic leadership positions they fill and the role they play in transferring firm-specific knowledge and corporate culture to subsidiaries (Colakoglu & Caligiuri, 2008:1; Frändberg & Kjellman, 2005:1). PCNs have

three essential competencies: they are familiar with the MNE's corporate culture, they communicate effectively with headquarters, and they maintain control over subsidiaries' operations (Dörrenbächer & Geppert, 2010:603; Tarique *et al.*, 2006:211).

Although the term *expatriate* means any employee that is working outside his or her home country (Reiche & Harzing, 2009:5), for the purposes of this research an expatriate will refer to a parent-country national, as this is the most common form used in multinational enterprises, and the reliance on PCN expatriates will continue to increase as FDI grows (Briscoe *et al.*, 2009:165; Huynh *et al.*, 2007:6; Colakoglu & Caligiuri, 2008:1).

#### 2.6.1.2. Host-Country Nationals

Host-country nationals (HCNs) are employees sent from the host subsidiary to the parent country or, as defined by Tung (1982:59), are "citizens of the country of foreign operation". Reiche and Harzing (2009:5) as well as Snell and Bohlander (2010:664) state that an HCN is a native of the host country whose nationality is the same as that of the enterprise's local subsidiary. According to Dörrenbächer and Geppert (2010:603), Tarique *et al.* (2006:211) and Van den Born and Peltokorpi (2010:104), HCNs usually lack familiarity with the parent-country culture; however, they have two core competencies: they are familiar with the host-country's cultural, economic, political and legal environments, and they are able to "respond effectively to the host country's requirements for localisation of the subsidiary's operations" (Tarique *et al.*, 2006:211).

According to Grobler *et al.* (2011:641), Reiche and Harzing (2009:6), Snell and Bohlander (2010:665) and Van den Born and Peltokorpi (2010:108), host countries often restrict enterprises' staffing options by passing laws and regulations designed to promote the recruitment and selection of host-country nationals. Tax incentives, tariffs, and quotas are also instituted by countries to encourage enterprises to hire local employees. When enterprises expand their operations internationally, they initially send expatriates from the parent enterprise to the host country, to establish activities and to work with local governments. Once operations are established, host-country nationals are hired to manage foreign subsidiaries, as they are less costly than expatriates and more aware of the cultural and political systems in place in the host country.

### 2.6.1.3. Third-Country Nationals

Third-country nationals (TCNs) are those employees who are sent from one foreign subsidiary to another that is also owned by the same enterprise. When an enterprise hires a citizen of a country other than the parent or subsidiary countries to work in a foreign subsidiary, the expatriate may be referred to as a third-country national (Briscoe *et al.*, 2009:166; Cascio & Aguinis, 2011:397; Dowling & Welch in Huynh *et al.*, 2007:5; Snell & Bohlander, 2010:664; Tung, 1982:59). According to Reiche and Harzing (2009:5), Snell and Bohlander (2010:664), and Tarique *et al.* (2006:211), the nationality of a TCN is neither that of the parent nor the subsidiary. TCNs are less expensive to maintain; however, they are often unfamiliar with the MNE's corporate culture.

While expatriates are still used to transfer skills and corporate advantages or control operations, the use of third-country nationals is becoming more popular, as they are less costly to an enterprise and are usually multilingual, enabling them to adjust more easily to foreign cultures (Grobler *et al.*, 2011:641; Snell & Bohlander, 2010:670; Van den Born & Peltokorpi, 2010:108).

### 2.6.2. Strategic Role of Expatriates

International assignments play a strategic role in the success of any business venture and have become an integral part of multinationals' business strategies (Riusala & Suutari, 2004:745; Van Aswegen, 2008:2). "Expatriate staff can be considered a valuable firm resource that has a critical impact on the performance of the local subsidiary" (Lam & Yeung, 2008:678).

Ando *et al.* (2007:115), Bolino (2007:824), Huang, Wang, Tzeng and Lin (2011:[1]) as well as Tungli and Peiperl (2009:155) mention three reasons for expatriates that were originally categorised by Edström and Galbraith (1977:253): to fill positions, to develop managerial skills and to develop the enterprise through control and coordination. Tungli and Peiperl (2009:160) mention various other reasons for sending expatriates to foreign countries, that are supported by Gomez-Mejia, Balkin and Cardy (2010:574-575). These reasons include: to set up new operations, to fill a skills gap in a local subsidiary, to develop the individuals' international skills, to train and orient local staff, to control and coordinate operations with headquarters and to establish and maintain a global corporate culture within a multinational enterprise.

Ghafoor *et al.* (2011:336), Lyles and Salk (2007:15), and Wang, Tong, Chen and Kim (2009:1182) are of the opinion that expatriates are effective vehicles for knowledge acquisition and transfer in multinational enterprises, and in turn enhance subsidiary performance. Knowledge transfer in this context can be defined as the process through which a foreign subsidiary observes and learns from the experience of another (skills that often cannot be recorded in manuals). The sharing and combination of enterprise-specific knowledge among subsidiaries is often a source of competitive advantage for multinationals, as enterprise knowledge is extremely hard to imitate (Beardwell & Claydon, 2010:52-53; Cardeal & António, 2012:10161; Ghafoor *et al.*, 2011:336).

Although employing local staff may save costs and enhance goodwill, Lam and Yeung (2008:692), Colakoglu *et al.* (2009:1291), Gomez-Mejia *et al.* (2010:574) and Riusala and Suutari (2004:745) state that expatriates often serve as a link between headquarters and subsidiaries in order to maintain corporate control over these subsidiaries, and to ensure the effective transfer of corporate advantages to foreign subsidiaries and successful integration across the global enterprise. Bonache and Fernández (1997:461) state that once knowledge has been transferred to foreign subsidiaries, an expatriate may remain in the host country for the sole purpose of control. Expatriates have an excellent understanding of headquarters' rules and systems, allowing them to effectively implement control mechanisms and operating procedures that are in line with those of the enterprise's headquarters (Ghafoor *et al.*, 2011:336; Hodgetts & Luthans, 1993:58).

### **2.6.3. Duration of Expatriate Assignments**

Briscoe *et al.* (2009:165), Grobler *et al.* (2011:643), Konopaske and Werner (2005:1160), and Stroh *et al.* (2000:681) state that employees are transferred to subsidiaries for varying lengths of time, depending on the purpose of the assignment. Short-term assignments usually last for a period of less than three months; extended assignments can last up to a year, while long-term assignments (frequently referred to as expatriate assignments) typically last up to five years. According to Doherty, Dickmann and Mills (2011:596) and Thomas (in Els, 2007:11), expatriate managers are usually accompanied by their families on international assignments that typically last for a period of three to five years.

Collings, Scullion and Morley (2007:205), Konopaske and Werner (2005:1160), and Reiche and Harzing (2009:23) mention that multinationals are being 'forced' to vary the length of international assignments, as many potential candidates are reluctant to leave their home



country for multiple-year assignments. Employees fear the loss of career advancement opportunities at the enterprise's headquarters, as well as the potential disruption in their spouses' careers. As a result, short-term assignments, which typically last between one and twelve months, are becoming more common.

With short-term assignments, family disruption is often avoided, as managers are rarely accompanied by their spouse and children. Such assignments are cost effective, more flexible and timely, and require less bureaucratic effort than traditional expatriate assignments; however, short-term assignees often fail to develop effective relationships with local colleagues, minimising their ability to transfer knowledge or train host nationals (Konopaske & Werner, 2005:1160; Reiche & Harzing, 2009:23).

#### **2.6.4. Reasons for Accepting an International Assignment**

In a 2002 study Richardson and McKenna (in Selmer & Luring, 2010:170) identified five primary reasons why employees accept international assignments. These reasons are supported by various studies (Richardson in Fenton, 2010:48; Thorn, 2009:449) which identified dominant and subsidiary drivers for expatriation. These reasons include:

- *An Opportunity for Change*

An expatriate may transfer abroad in order to avoid negative working or living conditions within the home country. Poor or deteriorating living or working conditions and job opportunities in the home country are considered a 'push' factor for relocating overseas, and may drive managers to become expatriates in order to support themselves and their families in the future (Dickmann, Doherty, Mills & Brewster, 2008:742; Doherty *et al.*, 2011:606; Froese, 2011:1100; Richardson & Zikic, 2007:166; Stahl, Miller & Tung, 2002:220).

- *Financial Incentives*

Working abroad is often associated with better remuneration and an improved economic situation. According to Dickmann *et al.* (2008:741-742), Doherty *et al.* (2011:600), Froese (2011:1100), and Stahl *et al.* (2002:220), financial considerations have been found to be a primary driver in the decision to accept an international assignment. Attractive job conditions such as an increased salary or a more lucrative research environment may motivate a manager to become an expatriate.

- *Family Reasons*

The willingness of an expatriate's spouse and family to move often plays a major role in a manager's decision to relocate abroad. Relocating to a foreign country may be in the best interests of the expatriate's family, as the host country may be the home country of the manager's spouse, or it may present a good educational opportunity for the expatriate's children (Cho *et al.*, 2013:1061; Dickmann *et al.*, 2008:741; Doherty *et al.*, 2011:606; Froese, 2011:1100; Stahl *et al.*, 2002:220). Therefore an expatriate spouse's previous international experience is usually considered before accepting an international assignment (Cho *et al.*, 2013:1061).

- *A Desire for Adventure and Travel*

Common reasons for expatriation include a desire to see more of the world, to search for new experiences and a desire for new challenges. Managers may have the desire to travel and to experience new things overseas or to gain knowledge of foreign languages and cultures (Doherty *et al.*, 2011:601; Froese, 2011:1100; Inkson *et al.*, 1997:359). Richardson and Zikic (2007:164) state that international careers often involve activities that enhance environment-exploration.

- *Career Building*

Many managers relocate abroad with a desire to enhance their career prospects. They assume the experience will have a positive effect on their career development, or they believe it is an internal requirement for certain promotions within the enterprise. According to respondents in studies by Cho *et al.* (2013:1060) and Dickmann *et al.* (2008:740), expatriates chose to accept international assignments as they felt it was a good opportunity to further their career, develop leadership skills, and gain the 'necessary' international experience for further promotion.

Findings from Doherty *et al.* (2011:601) indicate that an assignment's 'impact on career' was the most influential factor in an expatriate's decision to relocate overseas with the enterprise. International assignments have been known to offer opportunities for skill acquisition and career development (Dickmann *et al.*, 2008:740; Richardson & Zikic, 2007:164; Stahl *et al.*, 2002:220; Thorn, 2009:449).

A study by Stahl *et al.* (2002:220) found that 69 percent of respondents were of the opinion that a manager may decline an international assignment once at most without it having a negative impact on his or her future career advancement, while 61 percent felt that their rejection of an international assignment would limit their advancement within the enterprise. The majority of respondents anticipated serious negative consequences for their careers if they refused an international assignment. This is supported by Bolino (2007:833), who states that refusing one international assignment may be acceptable, but refusing multiple assignments may do great harm to one's career prospects within the enterprise.

## **2.7. EXPATRIATE FAILURE**

Expatriate failure can be seen as either underperformance by the expatriate during the international assignment, the premature return of the expatriate, or repatriate failure on returning to the home country (Briscoe *et al.*, 2009:180; Ghafoor *et al.*, 2011:336; Harzing, 2004:274; Shen, 2005:657; Swarts & Du Plessis, 2007:48; Templer, 2010:1754). Situations that result in the expatriate's withdrawing from active involvement in the workplace, being unable to adjust to the local culture, actively or passively avoiding tasks and/or taking a significantly long time to acquire the necessary skills, are all forms of expatriate failure (Fenton, 2010:40).

In their study on the topic, Tye and Chen (2005:16) note that 10 to 20 percent of expatriates return prematurely to their home country, and that approximately one-third of those who do not return early underperform and usually do not meet their enterprise's expectations. A study by Tung (1982:68) reports high failure rates in United States (US), European and Japanese multinationals. Seven percent of US firms indicated a failure rate of 20 to 40 percent; 69 percent of the firms had a failure rate of 10 to 20 percent, while the remaining 24 percent of firms had failure rates below 10 percent. The failure rates were lower in European and Japanese multinationals (rarely exceeding 10 percent), which Briscoe *et al.* (2009:180) and Tung (1982:68) attribute to the fact that European and Japanese expatriates are able to adapt more easily to a foreign environment. Shay and Tracey (1997:31) state that US expatriate failure rates (defined as the premature return of an expatriate) are estimated to be between 25 and 40 percent when the expatriate is assigned to a developed country and 70 percent for a developing country. This is supported by Briscoe *et al.* (2009:182) who mention that US failure rates range between 10 and 80 percent, with a common rate in the 30 to 40 percent range. A study of United Kingdom (UK), US, Japanese and German multinationals by Tungli

and Peiperl (2009:167) indicates an average premature return rate of 6.3 percent. Moreover, Copeland and Griggs (in Shay & Tracey, 1997:31) estimate that 30 to 50 percent of expatriates who complete their assignments underperform.

Swarts and Du Plessis (2007:48) and Vögel, Van Vuuren and Millard (2008:34) report that the full extent of this problem in South Africa is difficult to determine, as research is often done on behalf of individual organisations and is confidential or expensive to acquire. However, a survey by Van Heerden and Wentzel (in Van Aswegen, 2008:47) indicates a 9 percent expatriate turnover, rate while Hawley (in Swarts & Du Plessis, 2007:48) states that between 25 and 40 percent of South African expatriates leave their international assignments early.

Findings from Swarts and Du Plessis (2007:62) indicate that the intention to quit a foreign assignment in Africa is 51 percent, while it is lower (36 percent) for expatriates stationed in developed countries or regions such as Europe or the US. A study by Els (2007:109) found that South African expatriates working in sub-Saharan African countries have a seven times greater chance of failure (at 36 percent) than those working in first-world countries (at 5 percent). The overall failure rate for South African expatriates was found to be 22 percent. Failure rates have therefore been proven to be higher for expatriates on assignment in developing countries than those stationed in developed or first-world countries. South African failure rates are in line with international rates (Van Aswegen, 2008:47) and as most South African multinationals expand their operations into Africa, the expatriate selection and training processes need to be managed more effectively.

### **2.7.1. Costs of Expatriate Failure**

Expatriate failure creates excessive direct and indirect costs for the individual and the enterprise that could be avoided (Mendenhall & Oddou, 1985:39; Templer, 2010:1754; Tye & Chen, 2005:16). According to Harzing (2004:274), Templer (2010:1754), and Tungli and Peiperl (2009:157), the expatriate incurs personal costs, including damage to the expatriate's career, self-esteem and relationships, and stress or health problems as well as family conflict.

Haile *et al.* (2007:101), Shen (2005:657) and Templer (2010:1754) point out that direct costs for the enterprise include the expatriate's salary, training, travel and relocation expenses. If the employee underperforms, the enterprise also suffers from costs associated with the loss of goodwill and reputation, and delayed productivity (Graf & Harland, 2005:46; Haile *et al.*,

2007:101). Indirect costs arise if the relationship with the host country is damaged, if there are damages to the enterprise's reputation and image, or if market share or business opportunities are lost (Graf & Harland, 2005:46; Haile *et al.*, 2007:101; Harzing, 2004:274; Shen, 2005:657; Templer, 2010:1754). A high incidence of expatriate and repatriate failure in an enterprise will reduce the willingness of other home-country managers to relocate for future international assignments (Harzing, 2004:274).

The average cost per failure to the enterprise can be as high as two and a half times the expatriate's annual domestic salary plus the cost of relocation (Anderson, 2005:572). Briscoe *et al.* (2009:182), Graf and Harland (2005:46), and Carpenter *et al.* (2007:[5]) estimate the value of these failures to generally range between US\$200 000 and US\$1.2 million, while Yeaton and Hall (2008:75) state that the losses as a result of these failures range between US\$40 000 and US\$1 million. In South Africa, Grobler *et al.* (2011:642) and Van Aswegen (2008:45) state that an expatriate's 'cost to company' (including salary, relocation expenses and benefits) can amount to an estimated R1 million per year, which is lost in the case of a failed assignment.

### **2.7.2. Reasons for Expatriate Failure**

Expatriate failure is seldom a result of poor professional or technical competence (which usually prevents immediate failure on the job), but is rather due to family and personal issues, or a lack of cross-cultural skills that inhibits an expatriate's adjustment to the foreign environment (Andreason, 2008:382; Dowling & Welch in Huynh *et al.*, 2007:11; Els, 2007:68; Hurn, 2007:9; Reiche & Harzing, 2009:29; Shen, 2005:657; Shay & Tracey, 1997:31). However the candidate's personality traits, cultural adaptability and spouse are rarely evaluated in the selection process. (Briscoe *et al.*, 2009:179; Tungli & Peiperl, 2009:162).

Several authors have identified the following as common causes of failure among US expatriate managers (Anderson, 2005:568; Briscoe *et al.*, 2009:165; Gomez-Mejia *et al.*, 2010:576; Grobler *et al.*, 2011:642; Haile *et al.*, 2007:101; Tung, 1981:76):

- Inability of the manager's spouse to adapt to the new environment
- The manager's inability to adapt to the new environment
- Other family-related problems

- The manager's personal or emotional immaturity
- The manager's inability to handle the larger responsibilities associated with international assignments
- The manager's lack of technical competence
- The manager's lack of motivation

The most common reasons for failure among South African expatriates, as identified by Hawley (in Van Aswegen, 2008:54), are:

- A poor understanding of the foreign culture and language
- An unwillingness to train the host nationals
- Insufficient preparation of the expatriate and the family
- An ethnocentric attitude (feeling that one's own culture is superior to another).

In a study by Els (2007:112), respondents who failed during their international assignment indicated the following as the top five challenges they faced while overseas: an inability to cope with a larger assignment, expatriate adjustment issues, the spouse's inability to adjust, other family problems and a lack of technical competence. According to Eastwood and Renard (2008:1), Els (2007:114), and Lund and Degen (2010:62), failure may result from inadequate cultural and language training, a lack of cross-cultural skills and motivation, mistakes made in the selection process, expatriate personality difficulties, an inability to cope with the foreign environment, or a poor quality of life during the assignment. Additional reasons for failure include culture shock, differences between home and host country working environments, feelings of isolation and homesickness, and housing or educational difficulties (Anderson, 2005:568; Fenton, 2010:117).

Family problems have a negative impact on an expatriate's performance and ability to adjust to the host environment. The reason most often cited for premature return and expatriate failure is therefore the inability of the expatriate and/or the travelling partner and family to adapt to the host country's culture (Cho *et al.*, 2013:1069; Doherty *et al.*, 2011:605; Eastwood & Renard, 2008:1; Fenton, 2010:97; Ghafoor *et al.*, 2011:344; Tungli & Peiperl, 2009:156). Van Heerden and Wentzel (in Van Aswegen, 2008:54) indicate that 62 percent of

failed assignments are due to personal reasons (spouse, family and adjustment), 10 percent are due to health-related reasons and 28 percent to performance issues. This coincides with the causes of failure among US expatriates and emphasises the role of the family in the adjustment process.

### **2.7.3. The Concept of Expatriate Failure Contested**

Christensen and Harzing (2004:616) challenge the concept of expatriate failure and urge enterprises to rather draw their focus to performance management and staff turnover. Expatriate failure has been broadly defined to include; premature return, underperformance, an inability to adjust, and repatriation issues, however, Christensen and Harzing (2004:619) point out that a critical, systematic, and integrated approach to this definition is lacking in expatriate literature. The interpretation of the definition is important as premature return may be viewed in a positive light if an expatriate employee returns to their home country due to an internal transfer, whereas an expatriate's premature return due to their inability to adjust may be damaging to the enterprise and therefore seen as failure. The cause of the expatriate's premature return should be seen as the distinguishing factor between success and failure (Christensen & Harzing, 2004:621).

Christensen and Harzing (2004:619) further point out that existing literature tends to label expatriate failure as a negative aspect that is damaging to the enterprise, and not necessarily the expatriate (as would be the case with redundancies). Christensen and Harzing (2004:619) argue that the term 'expatriate failure' is "empty" and should be abandoned, and that enterprises should rather focus on customising their performance management and turnover strategies for expatriate management.

## **2.8. SELECTION**

Carpenter *et al.* (2007:[5]), Ghafoor *et al.* (2011:336) and Wang *et al.* (2009:1182) point out that MNEs generally choose to appoint an expatriate, as opposed to recruiting a local employee, when enterprise-specific knowledge is important, confidentiality or speed is an issue, or when the corporate strategy is focused on global integration. While all MNEs have selection processes in place, some prove to be better than others, as enterprises continue to make the mistake of basing their decisions solely on technical know-how and enterprise experience (Anderson, 2005:569; Hays, 1971:46; Reiche & Harzing, 2009:28; Tung 1981:70).

Ninety percent of all enterprises have been found to base their expatriate selection decisions on technical competence. The primary focus of enterprises during selection is therefore on the perceived ability of the candidate to perform the job requirements (Anderson, 2005:569; Cheng & Lin, 2009:62; Huang, Wan & Tzeng, 2011:2402; Wang *et al.*, 2011:72). Tungli and Peiperl (2009:162) found that ‘the expatriate’s willingness to go’ was the most common selection criterion used by German enterprises; ‘experience’ was considered important by Japanese enterprises and ‘technical skills’ by UK and US enterprises, while ‘previous performance’ in the enterprise was important for all four countries. Briscoe *et al.* (2009:179), Briscoe and Schuler (quoted by Huynh *et al.*, 2007:14) and Lansing and Boonman (2011:4) mention that selection processes in US MNEs rely heavily on structured interviews, recommendations, formal assessment tests (including, but not limited to, cultural awareness and behavioural assessments, and psychological and cognitive tests), career planning and self-nomination.

As stated by Cascio (2006:641), Reiche and Harzing (2009:28) and Tung (1981:70), most managers in MNEs use technical competence and enterprise knowledge as their primary selection criteria, neither of which enables expatriates to adapt to foreign environments, deal with foreign employees or perceive and imitate host-country norms. This continues to be the case even though expatriate failure is rarely a result of managers lacking technical competence, but is rather due to differences in culture and an inability to adjust (Andreason, 2008:382; Shen, 2005:657; Shay & Tracey, 1997:31).

The candidate’s personality traits, cultural adaptability and spouse are important predictors of expatriate adjustment and success; however, they are rarely evaluated in the selection process (Anderson, 2005:569; Briscoe *et al.*, 2009:179; Cheng & Lin, 2009:6; Tungli & Peiperl, 2009:162). Reiche and Harzing (2009:28) and Tung (1981:69) identify three reasons for this practice:

1. The difficulty of identifying and measuring relevant interpersonal and cross-cultural skills
2. The self-interest of the selectors, who try to minimise the personal risk involved in selecting a candidate who might fail on the job
3. The fact that the selectors are often line managers, following selection criteria set out by the human resources department



A common approach to expatriate selection involves transferring managers with impressive domestic track records to foreign subsidiaries (Shay & Tracey, 1997:31). MNEs emphasise technical competence and managerial skills in the selection process as these can be evaluated by assessing past performance. However, past domestic performance is not an indication of a candidate's future performance overseas (Dowling & Welch in Huynh *et al.*, 2007:11; Shay & Tracey, 1997:31)

Tungli and Peiperl (2009:162) provide evidence that enterprises tend to leave the decision up to the expatriate and rarely evaluate their partners, or select expatriates through personal recommendations. Despite the fact that many enterprises recognise the impact families have on expatriate success, the potential of the spouse to adjust is generally excluded from the selection process (Andreason, 2008:387; Mendenhall *et al.*, 1987:333).

Attrition, maladjustment and poor performance rates have been found to be high among expatriates, which may indicate that MNEs frequently overlook key criteria in the selection process that are essential to the prediction of an expatriate's success (Briscoe *et al.*, 2009:179; Mendenhall *et al.*, 1987:334). The studies discussed below propose similar selection criteria and personality characteristics that should be included in selection processes, as they determine an expatriate's ability to effectively perform tasks within a different cultural environment (Andreason, 2008:384; Arthur & Bennett, 1995; Caligiuri, 2000a; Caligiuri, Tarique & Jacobs, 2009:253; Guthrie, Ash & Stevens, 2003:232; Huang *et al.*, 2011:2402; Holopainen & Björkman, 2005:40; Mendenhall & Oddou, 1985:40; Templer, 2010:1755; Tung, 1981:69; Yeaton & Hall, 2008:76).

### **2.8.1. Tung's Study**

According to the study carried out by Tung (1981:69), the following four areas contribute to success or failure during international assignments and hence should be used to guide expatriate selection processes.

- Technical Competence on the Job

According to Tung (1981:69), technical competence remains a primary determinant of success, as expatriates are located away from head office, limiting their ability to consult colleagues and superiors on work-related matters. Anderson (2005:567-568), Avril and Magnini (2007:53), Tung (1981:69), and Wang *et al.* (2011:72) discuss the importance of technical competence as a selection criterion for international assignments. Job knowledge is

essential for adjustment and success, because the expatriate's primary role is to transfer information between the parent company and its subsidiaries, while positioned far from the multinational's headquarters. Downes, Varner and Hemmasi (2010:236), Templer (2010:1764), and Wang *et al.* (2011:73) support the multinational practice of using technical competence as a primary selection criterion, as expatriates who possess job knowledge are more likely to adapt to their work environment and perform successfully. Harris and Brewster (1999:489) point out, however, that though technical competence may be important for those expatriates assigned to technical positions, international assignments usually require managerial-level expatriates, rendering the technical competence criterion less important in selection processes.

Andreason (2008:383), Dowling and Welch (quoted by Huynh *et al.*, 2007:11), and Shay and Tracey (1997:31) mention that technical ability can have either a facilitating or inhibiting effect on adjustment and should therefore be considered during selection. The ability to accomplish one's task is an important part of expatriate adjustment and will usually prevent immediate failure on the job, but will not ensure long-term success (Andreason, 2008:383; Harzing, 2004:270; Mendenhall & Oddou, 1985:41; Tung 1981:69). In his study, Templer (2010:1764) found that although job knowledge is an important predictor of expatriate success, it is an insufficient selection criterion; when selection decisions are based solely on job knowledge and technical skills, enterprises risk failure, de-motivation, and underperformance by the expatriate manager and any teams he or she may lead.

- Personal Traits or Relational Abilities

Tung (1981:69) and Hays (1974:31) refer to this as the ability of an expatriate to deal effectively with his or her co-workers, business associates and clients. The crucial element is the "ability to live and work with people whose value systems, beliefs, customs, manners and ways of conducting business may greatly differ from one's own" (Tung, 1981:69).

Tung (1981:75) found that only five percent of multinational enterprises assess candidates' relational ability during the expatriate selection decision, even though a lack of relational skills has been found to be a common cause of expatriate failure. Templer (2010:1760) and Tungli and Peiperl (2009:162) found that enterprises are most effective in selecting expatriates based on their technical ability, but less effective with regard to personality traits such as a candidate's relational ability, as they do not often use such criteria in their selection processes.

Interpersonal skills enhance expatriates' ability to fulfil their role in transferring information between headquarters and the host subsidiary. In order to ensure successful adjustment overseas, candidates' relational skills should be assessed during the expatriate selection process through interviews, reference checking, work history and evaluations by the candidate's peers, subordinates, superiors, professional psychologists or psychiatrists (Anderson, 2005:577; Koteswari & Bhattacharya, 2007:94; Tung, 1981:69; Wang *et al.*, 2011:73; Yeaton & Hall, 2008:76; Mendenhall & Oddou, 1985:44).

- Ability to Cope with Environmental Variables

Individuals from different countries and cultures often have difficulty in understanding a different culture's values, customs and behaviours. Adjustment problems are experienced when political, legal and economic structures in the host country are different from the systems with which the expatriate is familiar (Haile *et al.*, 2007:100; Hill, 2011:42; Tung, 1981:69). According to Downes *et al.* (2010:238), Mendenhall and Oddou (1985:41), and Strubler, Park and Agarwal (2011:108), expatriates should possess the ability to understand and accept foreign cultures and customs.

Graf (2004:679), Hays (1974:33), and Holopainen and Björkman (2005:41) emphasise the importance of the expatriate's linguistic ability. An expatriate's willingness to use the host culture's language aids in relationship development, cultural understanding and overall adjustment to the foreign country (Mendenhall & Oddou, 1985:42; Muenjohn, 2009:260). A lack of language fluency remains a major barrier to expatriate adjustment, yet many MNEs continue to disregard its importance during selection (Andreason, 2008:385).

Expatriates are required to adjust to diverse cultural factors and different working conditions in the host environment, in order to meet performance objectives and complete their assignment. Candidates' cross-cultural adaptability should then be evaluated during expatriate selection processes through the 'Cultural Intelligence' model to enable successful adjustment to the host country (Huang *et al.*, 2011:2402; Lee, Veasna & Sukoco, 2013:3; Moulik & Mazumdar, 2012:62; Tung, 1982:67; Wichern, 2008:9). Cultural Intelligence (CQ) is the ability of individuals to understand and make the necessary behavioural adjustments to enable them to perform effectively in culturally diverse situation. Expatriates with a high level of CQ are able to easily understand unfamiliar host cultures. CQ consists of four factors, namely metacognitive CQ, which refers to an individual's ability to understand the unfamiliar environment; cognitive CQ, which refers to the specific knowledge individuals are able to

gain and understand about a foreign culture based on cues provided; motivational CQ, relating to an individual's self-determination to solve problems in various cross-cultural situations; and finally, behavioural CQ, which indicates an individual's sensitivity and flexibility to adjusting to an unfamiliar setting and acting accordingly. The cognitive, motivational and behavioural factors are the most significant when predicting cross-cultural adjustment and expatriation success during the selection process. (Lee, Veasna & Sukoco, 2013:2-3).

- Family Situation

When expatriates are sent on an international assignment, they, and often their family, are removed from the comfortable and supportive environment of their home country and assigned to an unfamiliar country without their friends, extended families and respective communities. Although the expatriate has an established and supportive host work environment, the spouse is faced with an unstructured environment, and becomes more immersed in the local culture. For this reason an expatriate's family is the main cause of difficulties experienced during the assignment, and family members, particularly the spouse, have a major influence on expatriate performance during the assignment and can be the reason for premature return (Andreason, 2008:386; Gupta *et al.*, 2012a:3559; Haslberger & Brewster, 2008:335; Mäkelä, Käsälä & Suutari, 2011:187; Schoepp & Forstenlechner, 2010:310).

A survey in 2005 by GMAC and NFTC (quoted by Brown, 2008:1019) found that 47 percent of candidates for an international assignment withdrew their applications during the selection process due to 'family concerns', while PWC (quoted by Brown, 2008:1019) found that 'dual-career issues' was the reason why 59 percent of candidates refused an international assignment. Mäkelä, Käsälä and Suutari (2011:185) and McNulty (2010:418) mention that 'family and personal circumstances' as well as 'partner's career' are the most common reasons for expatriates refusing international assignments.

The inability or unwillingness of the spouse or family to adjust to the new environment is the most common reason for expatriate failure (Andreason, 2008:382; Hays, 1971:45; Hays, 1974:31; Hill, 2011:611; Shen, 2005:658; Tung, 1981:69). Studies by Caligiuri *et al.* (2009:257), Mäkelä, Käsälä and Suutari (2011:185), Miser (2010:3-4), Tung (1982:70) and Takeuchi *et al.* (2005:928) stress the importance of including an assessment of the family's

flexibility, readiness, cohesion, adaptability and communication characteristics in an enterprise's expatriate selection processes.

### 2.8.2. Caligiuri's 'Big Five' Personality Characteristics

Caligiuri (2000b:71) identifies the 'Big Five' personality factors of successful expatriates as extroversion (ability to learn hierarchies in society), agreeableness (willingness to cooperate), conscientiousness (capacity for reliable work and commitment), emotional stability (ability to handle stress) and openness (propensity for innovation). An expatriate who possesses all of these traits has the ability to be promoted, to attain a higher status, and to form vital relationships with colleagues and host nationals within the enterprise. These traits should then be included in expatriate selection processes; however, Caligiuri (2000b:84) is of the opinion that the 'Big Five' are more effective in self-selection methods (Mol, Born, Willemsen & Van der Molen, 2005:594).

- Extroversion

International assignments are highly interactive in nature and thus require personality traits that allow expatriates to network with host nationals. Extroversion facilitates interactions and aids expatriates in forming social alliances with host nationals and colleagues (Caligiuri, 2000b:73; Cascio, 2006:643; Mendenhall & Oddou, 1985:42).

Extroverts are extremely sociable, assertive, active, energetic, excitement-seeking and talkative (Tews, Stafford & Zhu, 2009:93; Wang *et al.*, 2011:73; Wichern, 2008:4). Wang *et al.* (2011:73) and Yeaton and Hall (2008:76) are of the opinion that relational skills, such as extroversion and agreeableness, and communication skills enable expatriates to develop relationships with locals as well as colleagues, enhancing an expatriate's ability to transfer relevant information to host-country nationals. Through these relationships, expatriates may gain knowledge regarding the host culture that may enable them to understand local attitudes and act appropriately, which will aid in their adjustment to the new culture (Downes *et al.*, 2010:238; Mendenhall & Oddou, 1985:41; Strubler *et al.*, 2011:108).

Expatriates who are outgoing, relaxed and cooperative with individuals from a different culture are able to adapt more successfully to the host environment, while those who are inflexible, shy or arrogant struggle to become accustomed to the foreign culture (Anderson, 2005:570-571). Templer (2010:1764) therefore found relational skills to be the most

important personality characteristic for international assignments, and the only trait that aids in work adjustment, expatriate commitment to the assignment, and job satisfaction.

- Agreeableness

Caligiuri (2000b:73) and Tung (1981:69) state that agreeable expatriates who form and strengthen social relationships are able to deal with conflict, are less competitive, and strive for mutual understanding.

Agreeable individuals are collaborative in their relationships, patient, sincere, respectful and empathetic. Agreeable expatriates like interacting with others and tend to establish trusting and honest relationships with their colleagues (Koteswari & Bhattacharya, 2007:94; Rose, Ramalu, Uli & Kumar, 2010:105; Tews *et al.*, 2009:93; Wang *et al.*, 2011:73; Wichern, 2008:4). With regard to international assignments, where expatriates come into contact with host nationals on a daily basis, Tung (1981:69) and Wang *et al.* (2011:73) define agreeableness as one's ability to relate to, live and work with individuals whose values, beliefs, customs, and business manners may differ significantly from one's own and those of the home country.

Extroversion and agreeableness are extremely relevant and important for international assignments, as these traits enable expatriates to develop trusting relationships with host nationals. This enhances their ability to effectively transfer enterprise information and advantages, to acquire foreign market knowledge and to maintain control over subsidiaries. Candidates' relational skills should therefore be assessed during the expatriate selection process to ensure successful adjustment overseas (Colakoglu *et al.*, 2009:1291; Downes *et al.*, 2010:236; Koteswari & Bhattacharya, 2007:94; Tung, 1981:69; Wang *et al.*, 2011:73; Yeaton & Hall, 2008:76).

- Conscientiousness

Expatriates perceived to be conscientious are trusted in the organisation, are more likely to be promoted and are known to show greater commitment to their tasks, thereby reducing the chance of failure in their assignment (Caligiuri, 2000b: 74). International assignments require a great deal of persistence, thoroughness and responsibility, all of which conscientious people possess and make use of (Cascio, 2006:643).

Conscientious individuals are efficient, punctual, well-organised, systematic, and are known to conform to rules and standards. Expatriates with a high degree of conscientiousness are hard-working, sensible, responsible, dependable and trustworthy, and are therefore more likely to complete their assignments while producing a high standard of work (Hogan & Holland, 2003:102; Liang, 2008:[39]; Ones & Viswesvaran, 1999:281; Tews *et al.*, 2009:93). To reduce expatriate failure (underperformance or premature return), expatriates should be reliable, produce results and have a long-term commitment to the success of the assignment (Rose *et al.*, 2010:105).

Conscientiousness as a personality trait has proven to be extremely valuable for international assignments, although in some cases (with extreme perfectionists) it may limit one's ability to carry out tasks in a timely manner (Downes *et al.*, 2010:245; Hogan & Holland, 2003:102; Huang *et al.*, 2005:1660).

Lam and Yeung (2008:692), Colakoglu *et al.*, (2009:1291) and Riusala and Suutari (2004:745) discuss the fact that expatriates often serve as a link between headquarters and foreign subsidiaries, to maintain corporate control over these subsidiaries and to ensure the effective transfer of corporate advantages to foreign subsidiaries. Conscientiousness as a trait enables expatriates to both effectively transfer their knowledge to, and control foreign subsidiaries. Their results- and task-orientation enables them to proficiently carry out tasks and to deliver high-quality and timely results.

Rose *et al.* (2010:108) found that the more conscientious attributes expatriates possess, the higher their level of performance will be while overseas. Task-oriented expatriates are also more likely to adapt to their host work environment and to complete their assignment than those who are not (Caligiuri *et al.*, 2009:253; Liang, 2008:[15]; Mol, 2007:53; Mol *et al.*, 2005:608; Ones, Dilchert, Viswesvaran & Judge, 2007:1006; Tews *et al.*, 2009:93). Similar results were found in an earlier study by Ones and Viswesvaran (1999:288) that involved home-country managers assessing the effect that personality traits had on expatriate adjustment, completion of the assignment, development of interpersonal relationships and job performance. Conscientiousness was found to be the most important personality trait for all four areas of the assessment.

Caligiuri *et al.* (2009:253), Huang *et al.* (2005:1661), and Rose *et al.* (2010:105) point out that expatriates who are high in conscientiousness are known to consistently work hard, plan well and conduct tasks in an orderly manner. They respect social rules and norms and are

trustworthy, which aids in relationship development, work adjustment and successful task completion. Conscientiousness has been found to reduce expatriate failure in the form of underperformance or premature return (Caligiuri *et al.*, 2009:253; Liang, 2008:[15]; Mol, 2007:53; Rose *et al.*, 2010:108).

- Emotional Stability

Caligiuri (2000b:74) and Mendenhall and Oddou (1985:41) agree that emotionally stable individuals are more likely to be able to deal with the inevitable stress associated with unfamiliar living and working conditions (Tye & Chen, 2005:17).

Emotional stability is the ability to remain calm and to perform confidently and effectively in stressful situations (Caligiuri *et al.*, 2009:253; Tews *et al.*, 2009:93; Van Woerkom & De Reuver, 2009:2017). International assignments are generally a source of stress for expatriates and their spouses, as they are required to adapt to the culture of the foreign country and interact with locals on a daily basis (Caligiuri *et al.*, 2009:253; Mendenhall & Oddou, 1985:41). Job-related and personal stress is a major cause of expatriate failure, and the ability to deal effectively with this stress is related to expatriate adjustment. Emotional stability is therefore an important characteristic for expatriates, to enable them to successfully complete their job tasks, as well as the overall assignment (Koteswari & Bhattacharya, 2007:89; Mendenhall & Oddou, 1985:41; Rose *et al.*, 2010:106; Shin, Morgeson & Campion, 2007:66; Strubler *et al.*, 2011:108).

Downes *et al.* (2010:238) and Shaffer *et al.* (2006:120) found emotional stability to have a predominant effect on an expatriate's withdrawal cognitions, with emotional stability being negatively related to an expatriate's willingness to terminate the assignment. Downes *et al.* (2010:245), Mol *et al.* (2005:608), Ones *et al.* (2007:1006), and Tews *et al.* (2009:93) state that emotional stability is a significant predictor of expatriate adjustment, the development of interpersonal relationships with host nationals and job performance in the work environment. Brown (2008:1020), Rose *et al.* (2010:106), Shaffer *et al.* (2006:117), and Tye and Chen (2005:17) mention that emotionally stable expatriates also tend to adjust well to their new environment and experience fewer negative events during the assignment, reducing the chance of expatriate failure.

The emotional stability of the candidate and their spouse should be assessed during expatriate selection, as emotional stability has an influence on how well the couple will absorb the stress



and remain calm during relocation (Gupta *et al.*, 2012a:3563; Shaffer *et al.*, 2006:112; Yeaton & Hall, 2008:76).

- Openness or Intellect

According to Cascio (2006:643), openness is the extent to which an individual is creative, curious and has broad interests. Caligiuri (2000b:74) states that many studies have shown the importance of an expatriate's ability to be accepting of, and to accurately perceive and imitate, the host culture's norms.

Open-mindedness involves having an open attitude, without prejudices towards the host culture's behaviour and practices. Expatriates who are open to new experiences are more imaginative, unconventional and creative, which assists them in adjusting to and operating within a foreign environment. Individuals who display this trait tend to be original, curious, open-minded, non-judgemental, eccentric and independent. They show an interest in learning new things and are more likely to identify new opportunities and use creative ways to accomplish enterprise-wide goals, which is one of the many strategic roles of expatriates (Huang *et al.*, 2005:1662-1663; Martin, 2010:236; Ramalu, Rose, Kumar & Uli, 2010:113; Shaffer, Harrison, Gregersen, Black & Ferzandi, 2006:113; Van Woerkom & De Reuver, 2009:2016; Yeaton & Hall, 2008:76).

Expatriates who are caring and considerate of their fellow employees and who avoid being judgemental or ethnocentric are able to develop trusting relationships and transfer knowledge to host-country nationals more easily (a strategic role of expatriates). A non-judgemental approach leads to clearer information transmission and stronger interpersonal relationships between the expatriate and host nationals (Wang *et al.*, 2011:73; Yeaton & Hall, 2008:76).

Expatriates are required to adjust to diverse cultural factors and different working conditions in the host environment, in order to meet performance objectives and complete their assignment. An expatriate's inability to adjust is one of the key causes of expatriate failure. Candidates' cross-cultural competencies should then be evaluated during the expatriate selection process to enable successful adaptation to the host country (Huang *et al.*, 2011:2402; Moulik & Mazumdar, 2012:62; Tung, 1982:67; Wichern, 2008:9).

### 2.8.3. Mendenhall and Oddou's Dimensions

According to Mendenhall *et al.* (1987:333) and Mendenhall and Oddou (1985:40), there are four dimensions that should be used in the selection process to screen potential candidates and their family members. These dimensions, which Hill (2011:611) also acknowledges predict success, are:

- The Self-Oriented Dimension

Here Mendenhall and Oddou (1985:40) include activities and attributes that strengthen the expatriate's self-esteem, self-confidence and mental hygiene. These activities include reinforcement substitution (whereby the expatriates replace activities from home that brought them pleasure with similar activities in the host culture), stress reduction, and confidence in their ability to accomplish the purpose of their assignment.

Harzing (2004:270) mentions that technical capability will usually prevent immediate failure on the job but will not ensure long-term success. The ability to accomplish one's task is an important part of expatriate adjustment, and has a significant effect on one's self-esteem and confidence (Andreason 2008:383; Hays, 1971:46; Mendenhall & Oddou, 1985:41; Tung, 1981:69). Anderson (2005:577) suggests that technical ability be evaluated through supervisor reports, interviews, employment history, references and qualifications.

The self-oriented dimension encompasses a tolerance for stress that results from the uncertainty and anxiety associated with an unfamiliar host environment. An expatriate's self-orientation either aids or inhibits the successful completion of job tasks, as well as the overall assignment (Mendenhall & Oddou, 1985:41; Rose *et al.*, 2010:106; Shin *et al.*, 2007:66; Strubler *et al.*, 2011:108).

Tye and Chen (2005:17) agree that an expatriate's stress tolerance should be assessed in the selection process, as international assignments affect one's social and professional life (Holopainen & Björkman, 2005:40). Stress negatively impacts on an individual's health; Mendenhall and Oddou (1985:44) therefore suggest using psychological tests to identify suitable candidates and stress reduction programmes to prepare them for the international assignment.

- The Others-Oriented Dimension

Lin, Lu and Lin (2012:[191]) state that expatriates have a responsibility to their enterprise to excel in international subsidiaries, establish public relations in the host country and share the headquarters' values and work culture with host nationals. Expatriate assignments are highly interactive in nature and thus require personality traits that allow expatriates to network with host nationals. Expatriates are often sent on assignment to serve as a link between headquarters and foreign subsidiaries. Their role is to effectively transfer enterprise information and advantages, to acquire foreign market knowledge and to maintain control over subsidiaries (Benson, Perez-Nordtvedt & Datta, 2009:861; Colakoglu *et al.*, 2009:1291; Downes *et al.*, 2010:236; Lam & Yeung, 2008:692; Riusala & Suutari, 2004:745).

Mendenhall and Oddou (1985:41-42) point out that interpersonal relationships developed with host-country nationals tend to improve the expatriate's experience, as they may provide support and help expatriates to enact appropriate behaviours. A willingness to communicate will aid in understanding the local culture and creating and fostering relationships. The 'others-oriented' dimension entails developing and fostering long-term relationships with host-country nationals.

When measuring this dimension, Mendenhall and Oddou (1985:44) suggest using in-depth evaluations from the potential expatriate's peers, superiors, subordinates and friends. A professional psychologist's or psychiatrist's evaluations, as well as reference checks, interviews and a candidate's work history and performance, may also prove useful in the expatriate selection process (Anderson, 2005:577; Mendenhall & Oddou, 1985:44).

- The Perceptual Dimension

This perceptual dimension is the ability to understand and accept foreign cultures and customs. Individuals from different countries and cultures often have difficulty in understanding a different culture's values, customs and behaviours. Mendenhall and Oddou (1985:42) refer to this dimension as the ability to understand why foreigners behave the way they do. Graf (2004:673) and Mendenhall *et al.* (1987:333) stress the importance of being non-judgemental, empathetic and open-minded towards foreign nationals.

Koteswari and Bhattacharya (2007:94), Lazarova *et al.* (2010:104), Rose *et al.* (2010:105), and Tews *et al.* (2009:93) are of the opinion that once expatriates have adjusted to the foreign environment, they have overcome the stress, anxiety and helplessness that is usually

associated with international assignments. In order for this adjustment process to take place successfully, expatriates need to be open-minded, flexible towards the host culture, and accepting of the different culture's customs during the assignment.

Martin (2010:234), Ramalu *et al.* (2010:113), Shaffer *et al.* (2006:113), and Van Woerkom and De Reuver (2009:2017) state that cross-cultural competencies therefore consist of, but are not limited to, cultural empathy, flexibility and open-mindedness. Cultural empathy is the ability to identify with the feelings, thoughts and behaviour of members of the host culture. Flexibility is one's ability to modify one's behaviour to adjust to the new culture and to enable the development of relationships with host-country nationals. Open-mindedness involves having an open attitude without prejudices towards the host culture's behaviour and practices.

Mendenhall and Oddou (1985:44) suggest that an expatriate's potential for successful acculturation be assessed and measured through psychological tests (for example: the cognitive rigidity test, the F-test and the Allport-Vernon Study of Values).

- The Cultural Toughness Dimension

Individuals from different countries and cultures often have difficulty in understanding a different culture's values, customs and behaviour. Cross-cultural challenges often arise in the workplace when an expatriate is assigned to a foreign country, resulting in cultural clashes between expatriates and host-country nationals (Haile *et al.*, 2007:101; Tahir & Ismail, 2007:75).

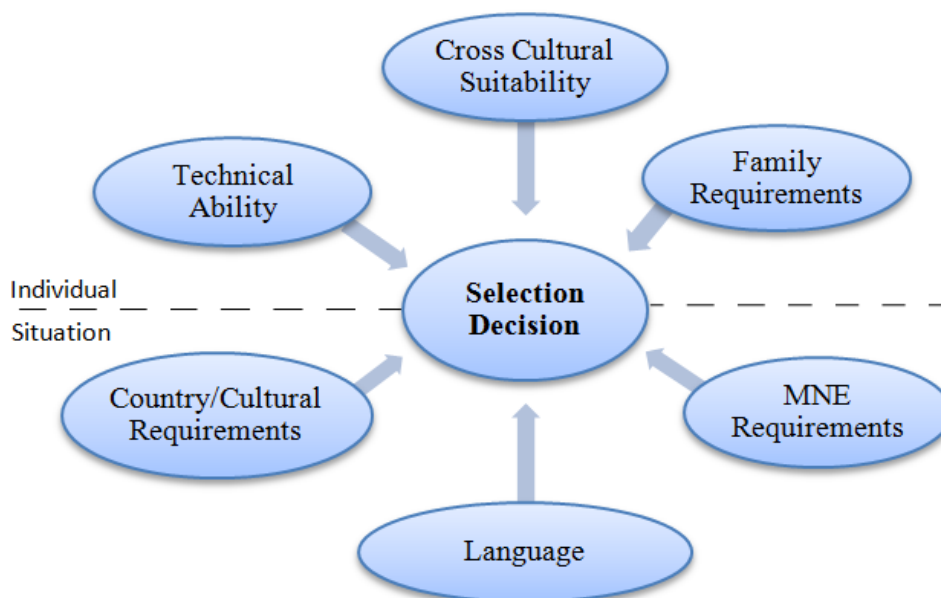
The cultural toughness dimension encompasses being able to adapt to and thrive in various different cultural environments. Hill (2011:42, 88) discusses the differences between countries regarding their political, legal and economic systems, as well as the profound differences in cultures. Cultural adaptability has been found to be as important as technical competence for the success of an international assignment, as expatriates are required to adjust to their host environment while delivering superior results in the workplace. Expatriates are required to adjust to the various cultural factors present in the foreign environment, to the interactions with host nationals, as well as to different working conditions that may exist (Huang *et al.*, 2011:2402; Lazarova *et al.*, 2010:95; Wichern, 2008:9).

Mendenhall and Oddou (1985:43) mention that the particular country of assignment may affect how well the expatriate adjusts, as some cultures are more difficult to adapt to than others, rendering it necessary to assess the cultural toughness of potential expatriates during the selection process (Harvey & Novicevic, 2001:78). Mendenhall and Oddou (1985:44) suggest gathering data on the host country's political, legal, socioeconomic and cultural systems and comparing them with the expatriate's current home systems.

#### 2.8.4. Dowling and Welch's Criteria for Selection

Dowling and Welch (quoted by Huynh *et al.*, 2007:11) have identified six criteria that managers should use in the selection process. They are summarised in the diagram below and are consistent with those of Tung (1981:69), Mendenhall *et al.* (1987:333) and Mendenhall and Oddou (1985:40). Technical ability, cross-cultural suitability and family requirements are based on the individual, while language, country or cultural requirements and MNE requirements are said to be dependent on the foreign country and culture (Dowling & Welch in Huynh *et al.*, 2007:12).

**Figure 2.2 Factors in Expatriate Selection**



Source: Dowling and Welch in Huynh *et al.* (2007:11)

### 2.8.5. Expatriate Selection Procedures

Anderson (2005:569) and Mendenhall *et al.* (1987:332) mention that every multinational that sends expatriates on international assignments conducts a selection process; however, some are more effective than others in designing appropriate expatriate selection procedures, with many enterprises selecting expatriates in the same way as they select managers for domestic positions.

However, the expatriate selection decision is dependent on a variety of factors which should be considered during the selection process. These factors include the type and level of position, the extent of contact the expatriate will have with locals and the host government, as well as the degree to which the foreign environment differs from that of the home country. Enterprises should also assess the magnitude of differences between the political, legal, socioeconomic and cultural systems of the host country and those of the home country (Ando *et al.*, 2007:115; Briscoe *et al.*, 2009:165; Mendenhall & Oddou, 1985:44; Snell & Bohlander, 2010:669; Tung, 1981:69).

According to Caligiuri *et al.* (2009:259), the HR department is also often not included in the expatriate selection decision, even though this department is in the best position to assess candidates' suitability. High expatriate failure rates indicate that MNEs frequently overlook key criteria in the selection process that are essential to the prediction of an expatriate's success (Briscoe *et al.*, 2009:179; Mendenhall *et al.*, 1987:334). Screening expatriate managers on the personality characteristics discussed above is uncommon, with most multinationals focusing on the expatriate's technical competence and willingness to relocate (Anderson, 2005:579; Cheng & Lin, 2009:62; Hays, 1971:46; Mendenhall *et al.*, 1987:333; Mendenhall & Oddou, 1985:39). Lansing and Boonman (2011:4) mention that selection processes in US MNEs rely heavily on structured interviews, references and self-nomination. Essential factors such as cultural awareness, behavioural assessments, and psychological and cognitive tests are often not regarded as important during the selection decision.

Harris (2002:192) and Harris and Brewster (1999:492-494) identify four variations of expatriate selection systems: open, closed, formal and informal systems. Open and closed systems relate to the nature of selection procedures, while the second two variations relate to the existence of formal and informal systems operating at the enterprise level. Characteristics of these variations are displayed in the table below.

**Table 2.1 Typology of Expatriate Selection Systems**

	<b>Formal</b>	<b>Informal</b>
<b>Open</b>	<ul style="list-style-type: none"> <li>• Clearly defined criteria</li> <li>• Clearly defined measures</li> <li>• Training for selectors</li> <li>• Open advertising of vacancy (internal/external)</li> <li>• Panel discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Less defined criteria</li> <li>• Less defined measures</li> <li>• Limited training for selectors</li> <li>• No panel discussions</li> <li>• Open advertising of vacancy</li> <li>• Recommendations</li> </ul>
<b>Closed</b>	<ul style="list-style-type: none"> <li>• Clearly defined criteria</li> <li>• Clearly defined measures</li> <li>• Training for selectors</li> <li>• Panel discussions</li> <li>• Nominations only (networking/reputation)</li> </ul>	<ul style="list-style-type: none"> <li>• Selectors' individual preferences determine criteria and measures</li> <li>• No panel discussions</li> <li>• Nominations only (networking/reputation)</li> </ul>

Source: Harris and Brewster (1999:493).

When an open system is in place, the MNE advertises all vacancies, and anyone with the appropriate qualifications and experience may apply for the positions open at that time. The enterprise's selectors conduct interviews, and selection decisions are made under consensus by the panel. A closed system is in place when individual selectors at the headquarters choose or nominate candidates (possibly from within their networks) for positions. The candidate is only informed once the selection decision has been finalised, and the standard interview is replaced by a negotiation about the terms and conditions of the contract (Harris, 2002:192; Harris & Brewster, 1999:493; Linehan & Scullion, 2001:222; Van den Brink, Brouns & Waslander, 2006:526).

According to Harris (2002:193) and Harris and Brewster (1999:494), an open formal system makes use of panel interviews and assesses candidates based on predetermined criteria to establish a 'best fit' between the candidate and the enterprise or available position. Psychometric tests are often used in conjunction with evaluations. Although a closed formal system also involves selecting candidates based on criteria, potential candidates are determined by the selectors, allowing personal preferences to influence the decision.

In an open informal system, vacancies are openly advertised; however, selection decisions are usually made before an interview even takes place, and are based on personal

recommendations and the employee's reputation. On the other hand, a closed informal system depicts a situation in which the individual preferences of selectors determine who is acceptable for vacancies in an enterprise, with HR selection criteria often being ignored. This system is characterised by a lack of open debate regarding selection criteria (resulting in discrimination), as well as a lack of accountability, as employees are unaware that the process is taking place (Harris, 2002:193-194; Harris & Brewster, 1999:494; Linehan & Scullion, 2001:225; Van den Brink *et al.*, 2006:526).

According to Caligiuri *et al.* (2009:356) and Snell and Bohlander (2010:669), the selection of individuals for international assignments should include the following steps:

- Self-selection

Due to the fact that demographic profiles and personal situations of potential candidates will vary, self-selection methods are often the most effective selection process. Employees should assess their career goals and determine whether or not they are interested in working abroad, as well as whether or not they fit with the personality and lifestyle requirements of the particular assignment (Doherty *et al.*, 2011:596; Fenton, 2010:2; Froese, 2011:1107; Snell & Bohlander, 2010:669; Thorn, 2009:443). Caligiuri *et al.* (2009:252), Cho *et al.* (2013:1061), and Dickmann *et al.* (2008:741) suggest that this will avoid the problems of forcing otherwise promising employees into assignments that are a bad fit for them. The expatriates should also be encouraged to assess how their spouse is likely to respond to an assignment and how the spouse feels with regard to relocating.

Caligiuri *et al.* (2009:256) and Hays (1974:25) are of the opinion that those who possess the correct technical specifications and who have a desire to work abroad should be considered during the selection process. This self-selection process then fosters the creation of a pool of suitable candidates, which can be further assessed according to specific criteria relevant to the assignment.

- Candidate Pool

The MNE should build a database of potential candidates who meet the enterprise's needs, and who are capable of performing the tasks and duties for an international assignment from a technical perspective. The candidates included in the database may be those who are self-selected, those evaluated through cognitive ability assessments or job knowledge tests, or



those recommended by their supervisors or line managers (Anderson, 2005:569; Caligiuri *et al.*, 2009:25; Harris & Brewster, 1999:489; Snell & Bohlander, 2010:669).

Caligiuri *et al.* (2009:256) and Snell and Bohlander (2010:669) state that information in the database should include potential candidates' availability, language fluency, host-country preferences and technical skills and abilities, as well as applicable personality criteria.

- Assessing Candidates' Core Abilities and Augmented Skill and Attributes

Expatriates who possess job knowledge are more likely to adapt to their work environment and perform successfully while in the host country. MNEs should therefore assess potential candidates' skills in terms of technical and managerial readiness relative to the needs of the international assignment. International assignments demand a higher level of maturity, experience, decision-making and team-building skills and qualities, as expatriates are required to fulfil a wider range of activities, roles and responsibilities than those placed in domestic positions (Caligiuri *et al.*, 2009:256; Downes *et al.*, 2010:236; Snell & Bohlander, 2010:669; Templer, 2010:1764; Wang *et al.*, 2011:73). According to Snell and Bohlander (2010:669), in order to be successful, expatriate managers are required to seize strategic opportunities, manage highly decentralised enterprises, have an awareness of global issues, be sensitive to diversity issues, be competent in interpersonal relations and possess community-building skills.

This step also includes assessing potential candidates' professional and international experience and their negotiation, delegation, and strategic-thinking skills, as well as their cultural sensitivity and ability to adapt to the host country. Harris and Brewster (1999:489) discuss the fact that expatriate assignments differ in complexity from domestic positions, as expatriates are required to deal with various cultural problems created by the international environment. The personality traits and competencies discussed above should then be assessed during this step to ease expatriate adjustment and to maximise the probability of expatriate success (Caligiuri, 2000b:71; Dowling & Welch in Huynh *et al.*, 2007:11; McEvoy & Buller, 2013:216; Mendenhall *et al.*, 1987:333; Mendenhall & Oddou, 1985:40; Snell & Bohlander, 2010:669; Tung, 1981:69).

According to Harris and Brewster (1999:492), Hutchings (2002:36), Inkson *et al.*, (1997:354), Lansing and Boonman (2011:4), and Mendenhall and Oddou (1985:44), candidates' personality traits should be assessed by the enterprise through psychological tests

or stress tests and evaluations; opinions from superiors, subordinates, peers and/or licensed psychologists should be obtained. Assessment centres and psychological testing are often used in the expatriate selection process; however, Anderson (2005:578), supported by Ones *et al.* (2007:1015), points out that answers to these tests can very easily be faked, especially by an employee who has any health-sciences training.

Although the above selection process is discussed extensively in expatriate literature, the majority of enterprises do not follow such procedures when selecting candidates for international assignments. A study by Harris and Brewster (1999:497), supported by Hutchings, French and Hatcher (2008:375) and Richardson and Mallon (2005:426) found what they referred to as the ‘coffee-machine system’ to be the most common form of expatriate selection among multinational enterprises. The ‘coffee machine system’ describes a situation in the office where a senior line manager is standing by the coffee machine when he or she is joined by a colleague, and the following conversation ensues:

*‘How’s it going?’*

*‘Oh, you know, overworked and underpaid.’*

*‘Tell me about it. As well as all the usual stuff, Jimmy in Mumbai has just fallen ill and is being flown home. I’ve got no idea who we can get over there to pick up the pieces at such short notice. It’s driving me crazy.’*

*‘Have you met that Simon on the fifth floor? He’s in the same line of work. Very bright and looks like going a long way. He was telling me that he and his wife had a great holiday in Goa a couple of years ago. He seems to like India. Could be worth a chat.’*

*‘Hey, thanks. I’ll check him out.’*

*‘No problem. They don’t seem able to improve this coffee though, do they?’*

The decision that has, in effect, already taken place, is then legitimised through the enterprise’s selection processes, in which interviews become negotiation sessions regarding the terms and conditions of the international position. As a result, the ‘coffee-machine system’ restricts the pool of potential candidates to technical specialists in specific fields of work, and to those well known to the enterprise’s managers, and poses a legal problem with regard to equal-employment opportunity policies (Harris & Brewster, 1999:498).

## 2.9. ADJUSTMENT

Ali *et al.* (2003:565), Caligiuri *et al.* (2009:252), Fenton (2010:42) and Haslberger and Brewster (2008:326) mention that *adjustment*, *adaptation*, and *acculturation* are often used interchangeably throughout expatriate literature to describe the process of change encouraged in expatriates by their move into a foreign environment, their psychological comfort with living and working in a foreign country, or the integration of the expatriates' home and host cultures. Many studies (Andreason, 2008:382; Caligiuri *et al.*, 2009:252; Els, 2007:22; Haslberger & Brewster, 2008:325; Hurn, 2007:9; Reiche & Harzing, 2009:29; Tung, 1981:76) have proved that expatriate failure is rarely a result of poor professional or technical competence, but is rather due to expatriates' or their spouse's inability to adjust to the host country culture, conditions, and customs.

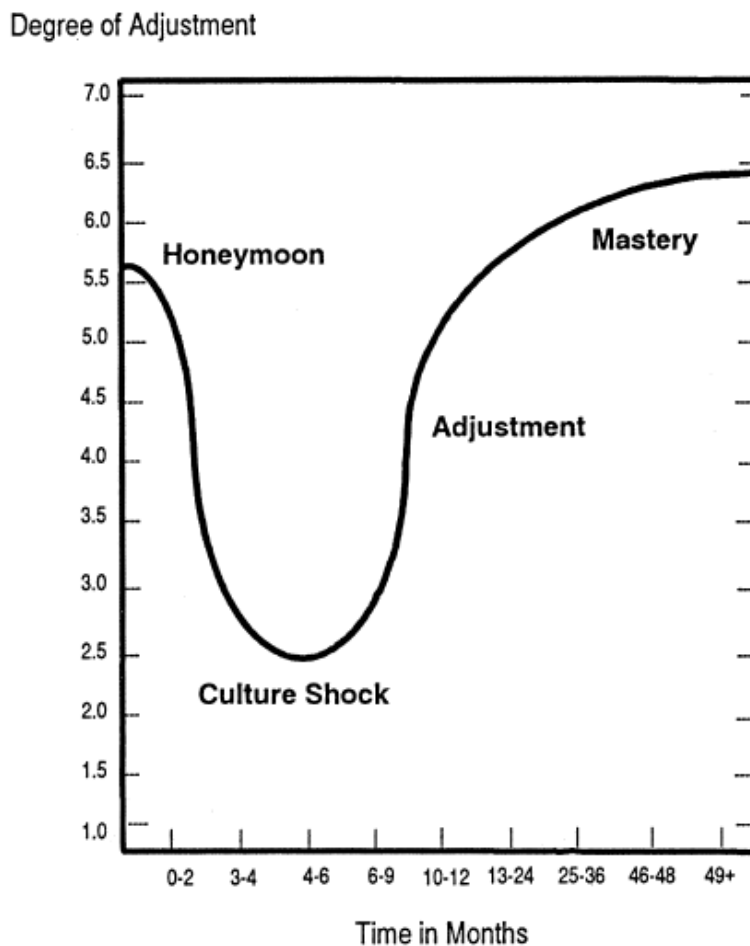
Black and Mendenhall (1991:241-242), Black, Mendenhall and Oddou (1991:305), Caligiuri (2000:64), and Friedman, Dyke and Murphy (2009:254) argue that expatriate adjustment occurs both prior to and during the international assignment. Anticipatory adjustment, which occurs prior to their arrival in the host country, is dependent upon the enterprise's selection criteria, the expatriate's training, previous international experience, and personal expectations, while adjustment within the country depends on the candidate's skills, job characteristics, the enterprise's culture and the expatriate's family. As a result of these variables, three levels of expatriate cross-cultural adjustment exist; general adjustment, interaction adjustment and work adjustment. General adjustment involves adapting to the host country's living conditions, such as the climate, food and healthcare services. Interaction adjustment is the result of forming relationships with host nationals, while work adjustment entails adapting to new standards, processes and responsibilities in the workplace (Black *et al.*, 1991:304; Caligiuri *et al.*, 2009:255; Friedman *et al.*, 2009:254; Ramalu *et al.*, 2010:115; Shaffer *et al.*, 2006:110; Wichern, 2008:9).

### 2.9.1. Lysgaard's U-Curve Theory

Lysgaard (in Black & Mendenhall, 1991:227) initiated the empirical work on the U-Curve theory (UCT) in 1955, while Church (1982:541) further developed this theory to explain how cross-cultural training may aid in the successful adjustment of expatriates on assignment in foreign countries. The UCT describes an expatriate's level of adjustment as a function of time in the host country. According to Church (1982:541), Littrell, Salas, Hess, Paley and Riedel

(2006:364) and Thomas (in Els, 2007:12), the adjustment of expatriates to the host country environment follows a U-shaped cycle consisting of four consecutive stages.

**Figure 2.3 The U-Curve of Cross-Cultural Adjustment**



Source: Black and Mendenhall (1991:227)

1. Honeymoon

According to Church (1982:541), the honeymoon stage, during which the expatriate is optimistic, elated, and fascinated by the new environment, has been known to last for up to six months from the date of arrival. During this stage, the expatriate family find the host country and its customs exciting and are interested in everything that they come across in the new environment (Black & Mendenhall, 1991:226; Littrell *et al.*, 2006:364; Thomas in Els, 2007:12).

## 2. Culture Shock

Littrell *et al.* (2006:364) and Thomas (in Els, 2007:12) explain that the expatriate's initial infatuation with the host country is followed by the culture-shock stage, when reality sets in, and the expatriate starts becoming confused and frustrated by the new environment. Culture shock occurs when people are suddenly introduced to a culture that differs significantly from their own, and is characterised by a lack of familiar symbols and signs. Culture shock may also occur over time as expatriates experience more of the nuances of the host culture and have problems adjusting. During international assignments, expatriates and their families usually experience living in and adjusting to a foreign environment with different cultural norms and living standards. As a result the expatriate and their family often become anxious, unhappy, frustrated, homesick, irritated and lonely (Church, 1982:540; Friedman *et al.*, 2009:253; Ghafoor *et al.*, 2011:337; Fenton, 2010:22).

During this stage, expatriates interact more frequently with host nationals and often do not know how to behave appropriately and effectively, owing to the differences between the home and host countries. As expatriates and their families struggle to cope with living in the foreign country on a day-to-day basis, they may become hostile towards the host country and begin to associate themselves with others in similar situations within expatriate communities. The level of an expatriate's adjustment therefore has a significant effect on job performance, job satisfaction and premature withdrawal from the assignment, as well as the family's quality of life during the assignment (Black & Mendenhall, 1991:225; Church, 1982:541; Friedman *et al.*, 2009:253; Littrell *et al.*, 2006:364; Thomas in Els, 2007:12).

## 3. Adjustment

During the adjustment stage the expatriate gradually recovers from the initial culture shock, and starts to accept and adapt to the cultural differences. Expatriates learn how to behave appropriately according to the country's cultural norms, how to get things done, and begin to find their rhythm for daily living in the host environment (Black & Mendenhall, 1991:226; Littrell *et al.*, 2006:364; Thomas in Els, 2007:12). Church (1982:226) mentions that this stage is often characterised by increased language knowledge and a more open attitude towards host nationals.

#### 4. Mastery

Black and Mendenhall (1991:226), Church (1982:541), Littrell *et al.* (2006:364), and Thomas (in Els, 2007:12) state that this stage is reached when the expatriates master the host country conditions and start to function as effectively as if they were at home. Expatriates and their families are no longer anxious, lonely, or irritable and begin to accept and take pleasure in the host country's culture and customs.

Adler (in Church, 1982:541) views expatriate adjustment as a transitional experience in which expatriates move from a low to a high state of self- and cultural awareness. The five phases are consistent with Lysgaard's U-curve theory (in Black & Mendenhall, 1991:227). The *contact* phase occurs when expatriates arrive in the host country and are excited by the new and foreign environment. This is followed by the *disintegration* phase, in which expatriates become depressed and begin to withdraw, due to the various significant cultural differences. A *reintegration* phase occurs, which is characterised by a strong rejection of the host culture, and is followed by the *autonomy* stage, in which expatriates become sensitive to, and begin to understand the host nationals and their culture. The final *independence* stage occurs when expatriates are able to undergo further life transitions, and is characterised by increased self- and cultural awareness and an appreciation of cultural differences.

According to Black and Mendenhall (1991:232) and Friedman *et al.* (2009:252), the U-curve theory is effective in describing the phases of expatriate adjustment; however, it fails to explain why certain stages emerge, and how and why individuals progress from one stage to the next. Cognitive theories of learning explain how learning occurs through the mental processing of information, and the subsequent determination of behaviour to be executed. On the other hand, behavioural theories explain how learning is determined by behaviour, its resultant consequences and the associations individuals make between the two.

#### **2.9.2. Bandura's Social Learning Theory**

Social Learning Theory (SLT), developed by Bandura (1971:3), integrates cognitive and behavioural theories as a means of examining the cross-cultural adjustment process of expatriates and the ideas associated with the UCT. The social learning process comprises four components: attention, retention, reproduction and incentives. Attention occurs when a person observes new behaviours, and the results they produce, from another person. This is followed by retention, where people encode the modelled behaviour as a memory, as they

recognise that their own behaviour is different from the norm. They then reproduce or imitate the 'stored' behaviour, allowing them to understand and experience the consequences of using the new behaviour. This process results in positive intercultural interactions and reduces the occurrence of misunderstandings and inappropriate behaviour (Bandura, 1971:6; Black & Mendenhall, 1991:233-241; Caligiuri & Tarique, 2009:338; Chien, 2012:166; Church, 1982:543; Malek, 2011:68).

According to SLT, an expatriate's adjustment to the host culture can occur over time as a result of observing (learning) and modelling the behavioural patterns of host nationals (Bandura, 1971:6; Black & Mendenhall, 1991:233-241; Church, 1982:543). The initial ignorance of differences and focus on similarities between the home and host cultures describes the honeymoon stage. This is followed by a period of culture shock where expatriates recognise the need for learning, and begin to pay attention to, observe and imitate the essential features of host nationals' behaviour. The end result is cross-cultural adjustment, whereby expatriates and their families are able to function as effectively as if they were at home.

## **2.10. PREPARATION AND TRAINING**

Adequate preparation has been found to be essential to the success of an expatriate assignment, as it aids in an expatriate's adjustment and acculturation, and understanding of the host-country's environment and cultural norms (Cerimagic & Smith, 2011:395; Forster, 1997:422; Hutchings, 2002:32). Ample time should be granted (prior to departure) for an expatriate and the family to prepare for the assignment, as a lack of, or insufficient preparation and relocation assistance has proved to be a primary concern and source of stress for expatriates and their spouses (Brown, 2008:1022; Forster, 1997:427; Shah, 2011:10).

A study by Cerimagic and Smith (2011:395) found that the majority of enterprises did not provide expatriates with pre-departure preparation or training, with 76 percent of expatriates not receiving any cross-cultural preparation prior to their departure. Additionally, the 24 percent who received preparation found the orientation process to be vague and not particularly useful. Forster (1997:424) found pre-departure briefings to be helpful on a factual level; however, they did not prepare expatriates for their unexpected psychological reactions to the international assignment and host-country. A survey by CIGNA International (quoted in Brown, 2008:1030) found that 53 percent of enterprises felt they provided sufficient preparation for expatriates and their families, while only 32 percent of expatriates felt that

they received adequate preparation and support prior to and during the international assignment. This is despite the fact that relevant and adequate preparation is often considered to be vital to expatriates' success, easing their adjustment to the host country (Cerimagic & Smith, 2011:395; Hutchings, 2002:32).

According to Cascio (2006:646), Hutchings (2002:45), Littrell *et al.* (2006:371), and Mendenhall and Oddou (1985:44), initial orientation sessions should consist of comprehensive cultural and assignment briefings, and cover the family's various relocation requirements. Families should be informed of the host country's traditions, history, living conditions, political, economic and cultural environments, as well as applicable health and visa requirements. During these orientation sessions, the length of the assignment, leave conditions, salary and allowances, possible tax consequences, and the enterprise's repatriation policy should be discussed clearly with expatriate candidates.

Enterprises should offer relocation, housing, and placement assistance, and provide expatriates and their spouses with comprehensive lists of property agents, appropriate schools, shopping centres and medical clinics, prior to the assignment. Expatriates and their families should also take part in a pre-departure orientation programme that consists of an introductory language course, reinforcement of cultural awareness and openness, and emergency and arrival information. On their arrival in the host country, expatriates should be orientated towards the foreign work environment, their position within the enterprise, and introduced to the host-country workplace and colleagues (Cascio, 2006:646; Cherry, 2010:139; Kim & Tung, 2013:1045; Purgal-Popiela, 2011:39; Vogel *et al.*, 2008:36).

Ashamalla (1998:58), Cascio (2006:645), and Sharma (2012:15) recommend that enterprises organise orientation visits to the host country for potential expatriates and their spouses before their final departure. These pre-assignment visits will allow the couple (as well as any children) to familiarise themselves with the local culture and customs, to learn appropriate behaviour, and to set realistic expectations about the assignment and foreign environment. Orientation visits provide expatriates and their spouses with first-hand information regarding the host country and culture, which may reduce uncertainty and aid in the expatriate's adjustment during the assignment (Ashamalla, 1998:58; Black & Gregersen, 1991a:464; Cascio, 2006:645-646; Ghafoor *et al.*, 2011:338; Rosenbusch & Cseh, 2012:63; Sharma, 2012:15; Sims & Schraeder, 2004:76). In a study by Vögel and Van Vuuren (2008:85), 98 percent of expatriates on assignment for a period under four years, and 80 percent of those on



assignment for more than four years, agreed that enterprises should organise orientation visits for expatriates and their spouses to the host country prior to their departure.

However, according to Harvey and Wiese (1998a:368), Kim and Tung (2013:1042), and Sims and Schraeder (2004:76), pre-departure orientation visits often become ‘tourist’ visits or holidays, and the expatriate couple return to their home country with an unrealistic perception of the host country’s culture and customs. As a result of these misperceptions, the couple experiences a more severe form of culture shock on their arrival in the host country, as they realise that the culture and lifestyle they experienced in their orientation visit differs significantly from reality.

Nevertheless, various studies (Ashamalla, 1998:58; Cascio, 2006:645; Cerimagic & Smith, 2011:395; Hutchings, 2002:32; Shah, 2011:10; Sharma, 2012:15) have proved how important comprehensive and relevant orientation sessions can be in preparing expatriates for what to expect and how to communicate and come into contact with the locals. Sufficient preparation has been known to aid in reducing expatriates’ discomfort in the foreign environment thereby facilitating their adjustment.

### **2.10.1. Training**

As a result of inadequate preparation and training programmes, the expatriate’s inability to adjust and the inability of the trailing spouse to adjust are the two most common causes of expatriate failure (Anderson, 2005:568; Briscoe *et al.*, 2009:165; Gomez-Mejia *et al.*, 2010:576; Grobler *et al.*, 2011:642; Tung, 1981:76).

According to Eastwood and Renard (2008:1), the emphasis enterprises place on international operations increases the need for effective preparation and training programmes for expatriates being sent on both short- and long-term assignments. Hill (2011:613) and Shen (2005:657) define international training as programmes used to familiarise candidates with the local working environment, and to ensure that they have adequate skills and knowledge necessary for working abroad effectively. According to Cerimagic and Smith (2011:394) and Sharma (2012:12), training is the process of altering an expatriate’s attitudes and knowledge in a way that increases the probability of realising individual and enterprise goals.

Chien and McLean (2011:860) and Shaffer and Harrison (2001:243) define cultural novelty as “commonplace features or everyday customs” of a country’s culture. Cascio (2006:647), Friedman *et al.* (2009:253), Ghafoor *et al.* (2011:337), and Takeuchi *et al.* (2007:931)

mention that a major source of stress for expatriates results from the culture shock brought on by perceived differences in cultural novelty. A lack of relevant international training often results in culture shock, where expatriates become severely homesick and stressed, leading to family conflict and expatriate withdrawal from the assignment. Training programmes should therefore be designed in such a way that they reduce the harshness of the initial culture shock and psychological stress experienced by expatriates on their arrival in the host country.

In order for enterprises to cope with increasing global competition, Chien and McLean (2011:858) state that expatriates need to be able to work effectively with people from an array of countries and cultures. Business interactions between employees from different countries and cultural backgrounds often fail due to existing cultural differences and a lack of training regarding these differences. Expatriates often fail to adjust as they struggle to relate to people from different cultural backgrounds and are often monolingual (Gomez-Mejia, 2010:577). For example, Western expatriates have been known to experience serious problems adjusting when on assignment in Asia.

Eastwood and Renard (2008:1) mention a study in which 60 percent of expatriates who were sent on assignment without prior training returned prematurely. However three days of pre-departure training reduced the failure rate to 5 percent; while six days of training reduced the rate further to a mere 1.5 percent. Despite the fact that expatriate training has proved to be invaluable in reducing high failure rates, studies by Littrell *et al.* (2006:358), Mansour and Wood (2010:387), Mohr and Klein (2004:1195), and Shen and Darby (2006:353) found that expatriates and their families in general did not receive training before their departure. Many enterprises do not provide expatriates with pre-departure training programmes as they feel that such programmes are too expensive, ineffective and time-consuming (Ghafoor *et al.*, 2011:337; Grobler *et al.*, 2011:645; Mendenhall *et al.*, 1987:334; Shen, 2005:660; Shen & Darby, 2006:353).

Shay and Tracey (1997:34) found that 25 percent of expatriates felt they had not received adequate and relevant training for their international assignment, even though every respondent agreed that training was a necessary element in the expatriation process, proved to enhance job satisfaction and work performance. A study by Shah (2011:8) showed that 26 percent of expatriates sent on international assignments received no pre-departure training, 8 percent had irrelevant training, and a third had very little training. Only one-sixth of the expatriates felt that the training they received was relevant and useful toward aiding in their

adjustment to the foreign country. The majority of these expatriates felt they were faced with performance and adjustment issues due to the lack of relevant training. Similarly, Cerimagic and Smith (2011:396) found that 61.4 percent of expatriates did not receive any form of in-country training. Moreover, 68 percent of expatriates in a study by Tung (1981:76) did not receive training to aid in their adjustment, while only 32 percent of expatriates indicated that their enterprises had formalised training programmes in place.

When expatriates are unfamiliar with the host country's customs, cultures and work habits, they are often insensitive and offend host nationals. Training creates an awareness of cultural differences, increases managerial effectiveness, and improves the expatriate's competence as an intercultural communicator. Enterprises therefore need to conduct effective intercultural and language training for expatriates prior to an international assignment, as well as when they arrive in the host environment, to enable them to 'bridge the gap' between the home and host countries (Chien & McLean, 2011:858; Eastwood & Renard, 2008:1-2; Ghafoor *et al.*, 2011:343; Sharma, 2012:12).

#### 2.10.1.1. Cross-Cultural Training

The need for cross-cultural training for expatriates and their families prior to their departure is emphasised throughout expatriate literature and can be explained by the U-curve and social learning theories discussed above (Eastwood & Renard, 2008:2; Fischlmayr & Kollinger, 2010:471; Mohr & Klein, 2004:1197; Okpara & Kabongo, 2011:23; Shah, 2011:4; Smart, 2011:64). Expatriates rarely fail due to a lack of technical competence but rather because of personal or family issues brought about by their lack of cross-cultural skills (Andreason, 2008:382; Hurn, 2007:9; Shen, 2005:658; Shay & Tracey, 1997:31)

Chien and McLean (2011:861), Ghafoor *et al.* (2011:337), and Shay and Tracey (1997:35) state that cross-cultural training refers to programmes intended to prepare expatriates for more effective work performance and interpersonal relationships with host-country nationals while on assignment. Cross-cultural training provides a foundation for cultural integration and aids expatriates in understanding and adjusting to the host country's culture and customs. According to Cascio (2006:647), Eastwood and Renard (2008:2), Littrell *et al.* (2006:356), and Okpara and Kabongo (2011:24), cross-cultural training refers to formal programmes designed to prepare expatriates for interacting with host nationals of a different culture, through the development of cognitive, affective and behavioural competencies. This usually

entails pre-departure and post-arrival cultural awareness training in the host country's customs, language and communication styles, and daily activities.

A study by Cerimagic and Smith (2011:396) found that 76 percent of expatriates did not receive any cross-cultural training either before or during their international assignment. Gomez-Mejia *et al.* (2010:577) state that only a third of multinationals provide any form of cross-cultural training to expatriates, and those that do usually offer brief, rushed programmes. Gomez-Mejia *et al.* (2010:583) also mention a study which found that 57 percent of enterprises provided one day of cross-cultural training; 22 percent included the trailing spouse and 32 percent included the expatriate family.

Cho *et al.* (2013:1053), Gupta *et al.* (2012b:18), Littrell *et al.* (2006:366), Konopaske and Werner (2005:1161), as well as Sims and Schraeder (2004:76), state that enterprises should prepare and educate expatriates about various religious, cultural, language and lifestyle differences (including local cuisine and shopping habits) between their home country and the country of assignment. In order to ease their adjustment to the foreign environment, expatriates need to gain respect for and understand the local culture, as well as avoid behaviour that is not compatible with the host culture.

Chien and McLean (2011:861), Eastwood and Renard (2008:2), Hurn (2007:12), Littrell *et al.* (2006:371), and Shen (2005:660) state that training programmes should include informal briefings regarding the history, geography and customs of the host country; the country's social, demographic and business trends; the political, legal and economic systems; as well as its national communication styles. More specific training can be provided by host nationals in terms of the host country's customs, taboos, religious practices, social conventions and existing conflicts between local and Western values (Shay & Tracey, 1997:34). A study by Okpara and Kabongo (2011:28) found all forms of cross-cultural training conducted prior to and during an assignment to have a significantly positive effect on expatriate managers' adjustment.

Before developing a cross-cultural awareness programme, the enterprise should conduct a needs analysis. This allows the enterprise to determine the strengths and weaknesses of the expatriate in relation to the skills required to adapt to the host country. Information regarding assignment objectives, expatriate responsibilities, expectations, international experience, and family requirements should be collected and assessed. Once these are known, the content, structure, programme quality and trainer for such training programmes can then be tailored to

suit the expatriate's specific needs (Caligiuri & Tarique, 2006:312; Eastwood & Renard, 2008:2; Hurn, 2007:11; Littrell *et al.*, 2006:366; Okpara & Kabongo, 2011:26).

According to Ghafoor *et al.* (2011:338), Littrell *et al.* (2006:381), Okpara and Kabongo (2011:24), and Sharma (2012:15), the components of cross-cultural training programmes should be customised according to the cultural toughness of the country, differences or similarities between the home and host countries, the type of job, the degree of interaction, and the purpose and duration of assignment. For example, expatriates going on short-term assignments usually only require factual information and 'survival-level' language training, as they seldom interact with host nationals outside the workplace. On the other hand, long-term assignments require expatriates to learn appropriate behaviour and undergo the more extensive language training required for successful interaction.

Shay and Tracey (1997:34) are of the opinion that enterprises should include both objective and subjective characteristics of the host culture in the content of their training programmes. Programmes that concentrate on objective characteristics (currencies, political systems, architecture and languages) equip expatriates with the knowledge and skills required to understand daily cultural differences, allowing them to manage and overcome the initial culture shock and feel more comfortable in the foreign environment. Enterprises that incorporate subjective characteristics (customs, value systems and beliefs) in their training programmes aid expatriates to develop a deeper understanding of the values and beliefs that influence the behaviour of host nationals. Subjective training therefore facilitates expatriates' adjustment and enhances their performance in the host country.

With regard to the structure of the programme, Shay and Tracey (1997:34) are of the opinion that objective characteristics should be presented before the subjective characteristics. This will allow expatriates to gain a general understanding of the cultural differences between the countries, before they delve into specifics regarding host nationals and their social behaviour. Objective characteristics can be taught through lectures, seminars, readings and educational videos, while the learning of subjective characteristics often requires orientation visits, cultural simulations or role-playing. This is because behavioural skills are acquired through practice, repetition and feedback regarding performance (Caligiuri & Tarique, 2006:312; Hurn, 2007:15; Littrell *et al.*, 2006:371; Okpara & Kabongo, 2011:24; Sharma, 2007:17; Shen, 2005:661).

Shay and Tracey (1997:35) and Littrell *et al.* (2006:369) state that qualified trainers who possess the attributes below are in the best position to present such cross-cultural training programmes.

- Previous international experience
- Personal experience with the challenges frequently associated with culture shock
- A comprehensive knowledge of the host country
- A clear understanding of the differences between the home- and host-country values
- A positive attitude to experiencing new cultures.

Expatriates who are prepared and aware of the host country's culture and customs will have a mental idea of various potential situations that may arise during the assignment. This mindset of being prepared should increase their confidence in the assignment, eliminate uncertainty, and ease their adjustment to the local environment, reducing the chance of premature return (Jenkins & Mockaitis, 2010:2696; Mohr & Klein, 2004:1197; Smart, 2011:90). Littrell *et al.* (2006:377), Shaffer and Harrison (2001:244), and Shah (2011:4) advise enterprises to provide pre-departure and post-arrival cross-cultural training to expatriates and their families, as the greater the cultural differences between the home and host countries, the more difficult it will be for them to adjust.

#### 2.10.1.2. Language Training

The issue that concerns MNEs the most with regard to international assignments is the need for expatriates to learn the host language (Briscoe *et al.*, 2009:183). Language training involves encouraging expatriates to appreciate the verbal and non-verbal cues that enable us to understand people from other cultures. Seventy percent of our everyday communication can be considered non-verbal, which is harder for expatriates to grasp and understand. For example, eye contact, personal space, posture, greetings, and hand gestures have different meanings in different cultures. It is therefore important for expatriates to become accustomed to differences between the home and host country's communication methods and body language to avoid misinterpretations and confusion (Ashamalla, 1998:59; Cerimagic & Smith, 2011:396; Gomez-Mejia *et al.*, 2010:582; Hill, 2011:108; Hurn, 2007:12; Rosenbusch & Cseh, 2012:73; Sharma, 2012:16; Tung, 1981:71).

Kupka *et al.* (2008:1783), Mohr and Klein (2004:1194), and Shaffer and Harrison (2001:241) found that expatriates who acquired a basic repertoire in the foreign language had a more

positive overseas experience, and adjusted more easily than those who made no attempt to learn the language. Basic knowledge in the local language is essential for coping with everyday tasks such as shopping, getting directions, reading mail, or going to the doctor. Knowledge of the host language demonstrates an interest in the local culture as well as a willingness to understand it, whereas a lack thereof often leads to misunderstandings and confusion. Language fluency helps expatriates relate to local customers, monitor competitors, understand cultural nuances, avoid feeling isolated, find social support from, and build social networks with, host nationals, which eases and speeds up their adjustment process in the foreign country (Ashamalla, 1998:59; Briscoe *et al.*, 2009:184; Rosenbusch & Cseh, 2012:73; Sharma, 2012:16).

An expatriate's ability to exchange common courtesies will be appreciated by host nationals as a demonstration of interest in the locals and their culture, whereas relying on one's own language (in most cases English) diminishes an expatriate's ability to effectively interact with host nationals. Sole reliance on their home language forces expatriates to become reactive instead of proactive, and reduces the speed with which they can process data written in the foreign language. Expatriate managers also often miss out on crucial pieces of work-related information published in the host language or discussed during informal meetings (Eastwood & Renard, 2008:2; Hill, 2011:614; Hurn, 2001:13; Littrell *et al.*, 2006:370-371). On the other hand, fluency in the host national's language has been found to improve expatriates' managerial effectiveness and negotiating ability and enhance their ability to access information regarding the host country's economic, political and market environments (Briscoe *et al.*, 2009:184; Eastwood & Renard, 2008:2; Hurn, 2007:13; Littrell *et al.*, 2006:370-371; Sharma, 2012:16).

Briscoe *et al.* (2009:184) mention that only a third of US enterprises provide some form of language training to their expatriates, while almost all Japanese enterprises offer both language and cultural training. Studies by Mansour and Wood (2010:387), Mohr and Klein (2004:1195) and Sharma (2012:16) found that in general expatriates and their spouses did not receive language training before departure, due to the fact that learning a new language is usually a lengthy process. Andreason (2008:388), Hurn (2007:14), Mäkelä, Känälä and Suutari (2011:190), Mohr and Klein (2004:1195), and Rosenbusch and Cseh (2012:73) recommend that enterprises facilitate a basic language course before the expatriate's departure that covers everyday phrases, greetings and introductions. This should build expatriate confidence and may encourage future wider learning in the host language. If a high

degree of fluency in the host language is required, expatriates should receive formal and intensive language training well before their departure date and if necessary, continue with such training during the assignment. Hill (2011:614) and Sharma (2012:16) identify language fluency as a crucial component that affects expatriate performance and effectiveness during an international assignment.

### **2.10.2. Practical Training**

According to Gomez-Mejia *et al.* (2010:583), the key part of expatriate training occurs ‘on the job’ and takes place shortly after the family’s arrival in the host country. Practical training enables expatriates to experience and learn from interactions with host nationals, and aids expatriates and their families with easing their way into daily life in the foreign environment. This training can be provided on arrival in the foreign environment by a mentor, host national or relevant support network in the host country (Caligiuri & Tarique, 2006:314; Hill, 2011:615).

Caligiuri and Tarique (2006:310), Grobler *et al.* (2011:645) and Tung (1981:71) discuss the importance of field experience for expatriates and their families. This may entail sending the candidate to the host country for an orientation or site visit, or exposing them to ‘microcultures’ within the home country during short field exercises. Expatriates should undergo some of the emotional stress and culture shock that can be expected while living and working with host nationals in the foreign country. Often a week’s ‘live-in’ experience prior to their departure will be beneficial for their adjustment to the host culture and will increase their ability to appreciate various cultural perspectives.

Mentoring by host-country nationals demonstrates enterprise support and may improve both language and cross-cultural skills. Mentors help expatriates with networking, support and advice, build cross-cultural awareness, and aid in the development of competencies for becoming effective in the foreign country (Caligiuri & Tarique, 2006:310; MacDonald & Arthur, 2005:150). Practical training is important, as expatriates have been found to benefit from encounters with people whose cultures differ significantly from their own (Tung, 1981:71).

## **2.11. ROLE IN DEVELOPMENT**

International assignments play an increasingly important role in the execution of international enterprise strategies and the development of expatriates (Briscoe *et al.*, 2009:187; Shen,



2005:663; Stahl *et al.*, 2002:216). While training aims to improve an expatriate's current working skills, development aims to increase their abilities in relation to some future managerial position or job (Dowling & Welch in Shen & Darby, 2006:345; Sharma, 2012:12; Shen, 2005:657).

Hill (2011:613-614) and Shen and Darby (2006:349) state that managerial development initiatives have a long-term focus and are intended to develop the expatriate's skills throughout his or her career with the enterprise. According to Shen (2005:659) and Shen and Darby (2006:346-349), development encompasses identifying, fostering, promoting, and using international managers to enhance an enterprise's competitiveness. Management development programmes play a central role in an enterprise's strategy due to their importance in developing a cross-national corporate culture and integrating international operations. Development can therefore be viewed as a tool to help the enterprise achieve its strategic goals, by enhancing skill sets, reinforcing the corporate culture and facilitating the creation of an informal network for sharing knowledge between subsidiaries.

Grobler *et al.* (2011:645) and Stahl *et al.* (2002:217) mention that international assignments are an important component in an enterprise's career development programme. Such assignments enable enterprises to develop employee managerial skills and introduce new employees to the corporate culture. When expatriates are sent on international assignments for development reasons, they are generally sent to acquire new technologies, competencies or skills that they will need to perform in some future position within the enterprise (Caligiuri & Tarique, 2006:309).

Expatriates are therefore sent on international assignments to develop their cross-cultural sensitivity, managerial skills and to gain international experience. Broad international experience is often thought to enhance knowledge acquisition, human resource development, and the management and leadership skills of executives (Inkson *et al.*, 1997:364; Shen & Darby, 2006:349; Stahl *et al.*, 2002:217). Briscoe *et al.* (2009:187), Edström and Galbraith (1977:253) and Shen (2005:662) state that international assignments are highly developmental, and that enterprises often expect managers above a certain level to have international experience. International assignments are then a critical component of an individual's career plan, their purpose being to develop employees for future executive responsibility. Mendenhall & Stahl (2000:257), however, emphasise the fact that international assignments are highly expensive and are rarely used as general management

development tools, but rather limited to a small portion of executives and ‘high potential’ employees.

Expatriates and home-country managers value an international assignment for the opportunity it brings for skill acquisition, personal development and career enhancement. Expatriates’ motivation to perform well while on assignment has been found to depend on such career advancement opportunities offered by the enterprise on their return. Enterprises should therefore position the assignment as a step towards advancement within the enterprise, and should provide support for the expatriate and the trailing spouse during the assignment to eliminate the possibility of premature return (Gomez-Mejia *et al.*, 2010:584; Inkson *et al.*, 1997:354; Stahl *et al.*, 2002:217).

## **2.12. SUPPORT**

Many authors (Kupka & Cathro, 2007:952; Malek, 2011:57; Takeuchi, 2010:1044) stress that an expatriate’s well-being and adjustment during an international assignment is dependent on various stakeholders, including the expatriate’s spouse and family, the enterprise, and host-country nationals. The expatriate is affected by these stakeholders’ actions and vice versa, and relies on them for the support needed during an assignment.

Cho *et al.* (2013:1052) point out that international assignments, which require expatriates and often their accompanying spouses and families to relocate to the host country, increase their uncertainty and stress levels. Recent trends indicate that the number of dual-income and dual-career couples sent on international assignments is growing significantly (Harvey, 1995:224; Konopaske *et al.*, 2005:408, Mäkelä, Känslä & Suutari, 2011:188). Enterprise support for these families before, during, and after an assignment is necessary to help minimise their uncertainty and stress.

Dual-career couples are often faced with many issues and problems when an expatriate manager accepts an international assignment. These problems often arise when the trailing spouse seeks employment in the host country. Spouses are often unable to find suitable or satisfying work that matches the family’s income requirements, or are ineligible to work in some host countries with conservative cultures (Cho *et al.*, 2013:1053; Harvey, 1995:226; Konopaske *et al.*, 2005:407; Luring & Selmer, 2010:61; Malek, 2011:200; Shaffer *et al.*, 2012:1295). If the trailing spouse struggles to find employment, the anticipated loss of additional income and career development may reduce the expatriate family’s living

standards, and lead to disagreements within the family. As a result, spouses often have a negative effect on an expatriate's adjustment. Enterprises should provide support for expatriate spouses in the form of work permits, positions within the foreign subsidiary, formal recommendations, or further education expenses (Cole, 2013:313; Mäkelä, Känvälä & Suutari, 2011:188; Wilson, 2011:67).

Forster (1997:427) states that MNEs fail to provide adequate support for expatriates and their spouses while on assignment, which reduces the probability of such families accepting international assignments in the future. Spousal support is critical to successful international assignments and has been found to have a positive effect on expatriate work and general adjustment (Lee, Veasna & Wu, 2013:380). Although many studies have found that trailing spouses can provide expatriates with helpful information and assistance, aiding them during the stressful relocation period, Kraimer, Wayne and Jaworski (2001:92) found that spousal support had no effect on expatriate adjustment.

Kraimer *et al.* (2001:73), Lee, Veasna and Wu (2013:380), Stroppa & Spieß (2010:2307), and Takeuchi (2010:1045) point out that expatriates may receive social support from their enterprise, colleagues, supervisors, and their friends and families, which often reduces the psychological distress commonly experienced in multi-cultural situations. Enterprises generally provide support (mentors, social clubs, expatriate communities, regular vacation, and spousal employment) during the assignment that has a significant effect on the expatriate's work and quality of life in the foreign environment.

Expatriates require assistance, which may include financial assistance, support in the form of schooling and housing, and general assistance in the form of mentoring and counselling. Enterprise support may be in the form of informational support, which helps expatriates understand cultural differences and work norms, reducing work stress; cooperation support, which facilitates work adjustment; instrumental support, which helps expatriates find schools and housing in the foreign country; and emotional support, which facilitates interaction adjustment and provides expatriates with a sense of belonging and acceptance (Bhatti, Battour & Ismail, 2013:702; Kraimer *et al.*, 2001:94; Mahajan & De Silva, 2012:353).

Mentor programmes and expatriate communities have been found to have a positive effect on an expatriate's adjustment during an assignment. Home- and host-country mentoring is a valuable tool for transferring enterprise values and norms and enhancing an expatriate's work performance. Expatriate communities have been proved to be a valuable source of support

and information which helps the expatriate family adapt to their foreign surroundings (Fee, McGrath-Champ & Yang, 2011:378; Stroppa & Spieß, 2010:2308; Tung, 1982:71).

According to Cole (2012:313), Fischlmayr and Kollinger (2010:472), Long (2010:178), Wilkinson and Singh (2010:178), and Wilson (2011:17-18), social support has a significant effect on psychological well-being and personal growth, reducing uncertainty and allowing expatriates and their spouses to get advice from host nationals, form friendships, and share experiences with like-minded people.

Bhatti *et al.* (2013:701) and Mahajan and De Silva (2012:350) define a social network as relationships between expatriates and host nationals or friends. These networks usually replace family networks formerly present in the home country, and provide expatriates with information about the job as well as the local customs and lifestyle differences, enabling them to adjust to the foreign culture and work environment more easily.

Studies by Bhatti *et al.* (2013:709), Kraimer *et al.* (2001:93), Mahajan and De Silva (2012:354), and Stroppa and Spieß (2010:2318) found that social networks had a positive influence on expatriate adjustment and job performance. These networks helped expatriates gain information regarding the culture, language and behaviour of host-country nationals, which facilitated their interaction and general adjustment. Expatriates who are well-adjusted at home and at work, and who are comfortable interacting with host nationals tend to perform better in the workplace. Expatriates who experience stress due to difficulties in adjusting to daily activities in the environment may bring that stress with them to work, lowering their work adjustment and job performance levels. Social support is therefore a buffer against stress experienced at work; it improves expatriates' attitudes and adjustment as well as their job performance (Kraimer *et al.*, 2001:79; Lee *et al.*, 2013:381; Mahajan & De Silva, 2012:358; Stroppa & Spieß, 2010:2306).

### **2.13. COMPENSATION**

According to Bonache (2006:158), Bonache and Fernández (1997:457), Gomez-Mejia *et al.* (2010:585), and Grobler *et al.* (2011:647), one of the most complex issues in IHRM – and the aspect of expatriate management that receives the least amount of attention – is the design and maintenance of an appropriate compensation and benefits plan for expatriates while on assignment. Bonache *et al.* (2006:2136), Chaudhry, Kalyar, Sabir and Ahmad (2012:54), and Thompson and Yurkutat (1999:5) define compensation as a reward (salary and benefits) that

is given to an employee in return for services rendered from labour. Compensation has proved to be the most important factor potential candidates consider before accepting an international assignment (Bonache *et al.*, 2006:2137; Sims & Schraeder, 2005:99).

Compensation is a key component in the effectiveness of global operations, a crucial link between strategy and its successful implementation, and has become an instrument frequently used by MNEs to guide behaviour in order to reach strategic goals and achieve enterprise objectives (Bonache, 2006:170; Harvey, 1993a:57; Phillips & Fox, 2003:466; Sims & Schraeder, 2005:99; Suutari & Tornikoski, 2001:393). Bonache (2006:160), Bonache and Fernández (1997:458,470), and Reynolds (1997:124) discuss ways in which compensation packages are used by MNEs to maintain the expatriate's standard of living, to guarantee equity among international assignees, and to encourage acceptance of international assignments.

According to Bonache (2006:159), Cascio (2006:650), Grobler *et al.* (2011:647), Harvey (1993a:58), and Tornikoski (2011b:4), effective compensation policies for international assignees should meet the following objectives:

- Attract, motivate and retain employees who are qualified for international assignments
- Successfully facilitate transfers between foreign subsidiaries and between the home and host countries
- Establish and maintain consistent relationships between the compensation of all expatriates and home-country employees
- Arrange reasonable compensation plans based on skill level, the family's situation, host-country living costs, floating exchange rates, taxes and inflation rates
- Facilitate re-entry into the home country at the end of the international assignment
- Be cost-effective

Compensation levels for the same position differ between countries in which an MNE operates, due to the fact that HR managers need to take the host-country's laws (tax systems and rates), customs (attitude towards compensation and benefits), environment (inflation, fluctuating exchange rates and cost of living) and employment practices into consideration when designing expatriate compensation plans (Bonache & Fernández, 1997:470; Bonache,

Sanchez & Zrraga-Oberty, 2009:2135; Cascio, 2006:650; Gomez-Mejia *et al.*, 2010:585; Grobler *et al.*, 2011:647).

### 2.13.1. Approaches to Expatriate Compensation

As stated by Grobler *et al.* (2011:648), enterprises follow six basic approaches when compensating employees on international assignments, which are discussed below:

- *Negotiation*

A negotiation session takes place in which individual packages that are acceptable to both the enterprise and the international assignee are designed for expatriates before they relocate overseas. Although negotiation is an ad-hoc approach that is quite simple, it can be time consuming, and often produces inconsistencies between individual expatriate packages (Grobler *et al.*, 2011:647; Wentland, 2003:46).

- *Balance-sheet Approach*

Bonache (2006:162), Grobler *et al.* (2011:648), Phillips and Fox (2003:467), Rahim (2012:191), Reynolds (1997:124), and Sims and Schraeder (2005:104) point out that inconsistencies often exist in an enterprise's compensation plan because many employees have unique and individually designed packages. The balance-sheet approach is therefore the most popular compensation approach, as it ensures that expatriates neither gain nor lose financially compared with host nationals because of their international posting, but rather maintain their standard of living and purchasing power in different locations.

The approach is adaptable to different economic conditions and enterprise strategies, creates equity between assignments and expatriates of the same nationality, solves double taxing problems, and is easy to communicate to expatriates. However, the balance sheet is often complex to administer, expensive, and may result in large disparities between expatriates of different nationalities, and between expatriates and host nationals (Bonache & Fernández, 1997:464; Cascio, 2006:651; Grobler *et al.*, 2011:648; Reynolds, 1997:130; Wentland, 2003:46).

According to Bonache *et al.* (2009:2137), Grobler *et al.* (2011:648) and Wentland (2003:46), the balance-sheet approach calculates an expatriate's compensation as follows:

Expatriate compensation = [Home base gross income including bonuses and with taxes and contributions deducted] add/subtract [Cost of living allowance dependent on host country living conditions] add [Incentive premiums] add [Assistance programmes].

- *Localisation*

As discussed by Cascio (2006:651), Grobler *et al.* (2011:648), Reynolds (1997:127), Sims and Schraeder (2005:105), and Wentland (2003:46), enterprises making use of this approach take into account what competitors are paying, and tend to compensate expatriates comparably, or on the same scale as similarly-positioned host nationals. The localisation approach to compensation is often used for permanent employee transfers or when an expatriate with little experience within the home country is transferred to a developed country. Although the localisation approach is designed to reduce an enterprise's costs, possible long-term tax and retirement benefit complications may arise for expatriates, making it a less desirable and practical approach to compensation. Localisation has also been proved to discourage mobility, as each assignment location is financially more or less attractive than other countries, making it more difficult to attract candidates to countries with lower living standards.

- *Lump Sum*

Under this approach, a total salary (lump sum) is calculated and determined for expatriates prior to their departure. The allowances and incentives which are normally paid under the balance-sheet approach are combined into a lump sum and paid to the expatriates on a monthly basis with their salary, which may then be spent as needed during the assignment (Grobler *et al.*, 2011:648; Reynolds, 1997:129; Suutari & Tornikoski, 2001:392; Tornikoski, 2011a:24; Wentland, 2003:47).

- *Cafeteria*

According to this approach, highly compensated executives and professionals on international assignment may be presented with an array of benefits or options (as if in a cafeteria), enabling them to decide how the enterprise spends the available funds (Grobler *et al.*, 2011:648; Reynolds, 1997:129; Sims & Schraeder, 2005:106). Expatriates often make a choice between company cars, club memberships and enterprise-provided housing, or those with children may opt for private schooling or au pairing services while in the host country (Grobler *et al.*, 2011:648; Reynolds, 1997:129; Wentland, 2003:47).

- *Regional Systems*

Grobler *et al.* (2011:648), Sims and Schraeder (2005:106), Suutari and Tornikoski (2001:392), Tornikoski (2011a:24), and Wentland (2003:47) mention that enterprises making use of this system design a tailored compensation plan for all expatriates assigned to a specific region, one that is in line with regional laws, customs and standards. This approach allows enterprises to maintain equity within and between the regions in which they operate, by compensating employees in the home country at lower levels than those working in foreign countries. However, this approach is often difficult to administer, and frequently attracts younger expatriates, who tend to transfer to competitors if they are unable to negotiate better packages as they gain more experience.

### **2.13.2. Elements in an Expatriate Compensation Package**

According to Auzini and Tjakraatmadja (2012:2), Harvey (1993a:58), Hodgetts and Luthans (1993:57) and Tornikoski (2011b:5), an expatriate's compensation package typically consists of three elements: a base salary, benefits or incentives, and allowances.

- *Base Salary*

Auzini and Tjakraatmadja (2012:2), Hodgetts and Luthans (1993:58), Phillips and Fox (2003:467), and Rahim (2012:188) define base pay as the amount of money an expatriate normally receives in the home country, which is usually paid in the home country's currency, the local currency or in a combination of the two, depending on the expatriate's requirements and future plans. For example, a German expatriate working in a US subsidiary will receive a base salary that reflects the compensation structure in the home country, Germany. An expatriate's base salary serves as a benchmark for enterprises to use when calculating bonuses and benefits.

- *Benefits and Incentives*

According to Auzini and Tjakraatmadja (2012:2), Hodgetts and Luthans (1993:58), and Phillips and Fox (2003:467), approximately one-third of a domestic employee's compensation package is made up of the various benefits and premiums, which may compose an even larger portion (up to fifty percent) of an expatriate's package. Until recently, the majority of MNEs included their expatriates in their home-country benefits programme in addition to the host country's programme, at no extra cost to the expatriate, which resulted in



the dual coverage of both country's legal requirements and certain expenses (Hodgetts & Luthans, 1993:58).

According to Grobler *et al.* (2011:647), enterprises are often required by law to provide expatriates with non-salary benefits (such as healthcare, leave and insurance) in their compensation plans. Auzini and Tjakraatmadja (2012:2), Bonache and Fernández (1997:465), Cascio (2006:654), Chaudhry *et al.* (2012:54), Hodgetts and Luthans (1993:59), and Sims and Schraeder (2005:102) state that intrinsic (financial) and extrinsic (professional development, security, recognition) incentives are offered to candidates to encourage acceptance of an international assignment. Expatriate benefits or incentives usually include, but are not limited to, medical aid coverage, security in the host country, retirement benefits, additional vacation, special or emergency leave, airfare for expatriates and families to visit home on a regular basis, and even coverage of expenses if a family member in the home country passes away.

- *Allowances*

According to Auzini and Tjakraatmadja (2012:2), Cascio (2006:654), Hodgetts and Luthans (1993:59), Rahim (2012:189), Reynolds (1997:126), and Tornikoski (2011a:23), cost-of-living allowances are the most expensive element of an expatriate's compensation package and are frequently used to encourage candidates to accept international assignments. A cost-of-living allowance is consistent with the balance-sheet approach, as it is a payment for differences in living expenses between the home and host countries, providing the expatriate family with the same or similar standard of living that they enjoyed in the home country. Costs incurred by expatriates as a result of income taxes, housing, and goods and services tend to be higher abroad than in most home countries. The enterprise regularly takes responsibility for and settles expatriate costs that exceed normal home-country costs (Cascio, 2006:651; Sims & Schraeder, 2005:101). An expatriate's cost-of-living allowance may consist of relocation expenses, housing allowances, education allowances, and a bonus or hardship allowance (Gomez-Mejia *et al.*, 2010:585; Harvey, 1993a:65; Hodgetts & Luthans, 1993:59; Phillips & Fox, 2003:468; Reynolds, 1997:126).

1. Relocation Allowance

Hodgetts and Luthans (1993:59), Phillips and Fox (2003:468), and Rahim (2012:189) define relocation expenses as the charges associated with moving, shipping and storing personal

furniture, clothing and other possessions accompanying the expatriate family to the foreign country. These expenses may also include the purchase of new vehicles or club memberships in the host country.

## 2. Housing Allowance

Some enterprises provide the expatriate family with a residence in the host country and cover associated moving expenses during the assignment, or allocate a predetermined housing allowance enabling expatriates to purchase or rent their own housing. MNEs may also assist with the sale or lease of the expatriate's house in the home country and pay all closing costs or expenses associated with selling the property (Cascio, 2006:654; Gomez-Mejia *et al.*, 2010:585; Hodgetts & Luthans, 1993:59; Phillips & Fox, 2003:468; Rahim, 2012:189; Reynolds, 1997:126; Sims & Schraeder, 2005:102).

## 3. Education Allowance

Auzini and Tjakraatmadja (2012:2), Cascio (2006:654), Gomez-Mejia *et al.* (2010:585), Hodgetts and Luthans (1993:59), Rahim (2012:189), and Sims and Schraeder (2005:103) state that the enterprise should cover educational expenses which would not have been incurred had the expatriate family remained in the home country, as well as private schooling costs where host-country conditions deem this necessary. Education allowances usually cover tuition, enrolment costs, textbooks, supplies, transportation costs, residence fees, and school uniforms for the expatriates' children accompanying them on assignment.

## 4. Hardship Allowance

Expatriates frequently receive hardship allowances (often referred to as bonuses or premiums) when they are sent on assignment to culturally deprived locations, hazardous areas, war zones, or countries with climatic extremes, political instability, health or safety issues, or a poor quality of life. This allowance may consist of a lump sum or a percentage of the base salary (Auzini & Tjakraatmadja, 2012:2; Cascio, 2006:654; Harvey, 1993a:59; Hodgetts & Luthans, 1993:59; Rahim, 2012:188; Reynolds, 1997:126). Table 2.2 below displays the hardship allowances (or differential pay premiums) for expatriate assignments in selected countries, as determined by the US Department of State.

**Table 2.2 Hardship Differential Pay Premiums for Selected Countries and Assignment Locations, December 2013**

Country	Place of Assignment	Differential Pay Premium
AFGHANISTAN	Kabul	35%
ALBANIA	Tirana	20%
ALGERIA	Algiers	15%
ANGOLA	Luanda	25%
ANTARCTIC REGION POSTS	Antarctic Region Posts	25%
ARGENTINA	Buenos Aires	0%
ARMENIA	Yerevan	20%
AUSTRALIA	Alice Springs	10%
AUSTRIA	Vienna	0%
AZERBAIJAN	Baku	20%
BAHAMAS	Andros Island	10%
BAHRAIN	Bahrain	10%
BANGLADESH	Dhaka	30%
BARBADOS	Barbados	5%
BELARUS	Minsk	25%
BELGIUM	Belgium	0%
BELIZE	Belmopan	20%
BENIN	Cotonou	20%
BERMUDA	Bermuda	0%
BOLIVIA	La Paz	25%
BOSNIA-HERZEGOVINA	Banja Luka	15%
BOTSWANA	Gaborone	10%
BRAZIL	Rio de Janeiro	10%
BRUNEI	Bandar Seri Begawan	15%
BULGARIA	Bulgaria	10%
BURKINA FASO	Ouagadougou	20%
BURMA	Rangoon	30%
BURUNDI	Burundi	25%
CAMBODIA	Cambodia	25%
CAMEROON	Cameroon	20%
CANADA	Northwest Territories	20%
CAPE VERDE	Cape Verde	25%
CENTRAL AFRICAN REPUBLIC	Central African Republic	35%
CHAD	Chad	30%
CHAGOS ARCHIPELAGO	Chagos Archipelago	10%
CHILE	Chile	0%
CHINA	Beijing	15%
COLOMBIA	Barranquilla	10%
COOK ISLANDS	Rarotonga	10%
COSTA RICA	San Jose	0%
COTE D'IVOIRE	Abidjan	20%
CROATIA	Croatia	0%
CUBA	Havana	25%
CYPRUS	Cyprus	0%

Source: Adapted from US Department of State (2013)

**Table 2.2 (continued) Hardship Differential Pay Premiums for Selected Countries and Assignment Locations, December 2013**

Country	Place of Assignment	Differential Pay Premium
CZECH REPUBLIC	Czech Republic	0%
DEMOCRATIC REPUBLIC OF THE CONGO	Democratic Republic of the Congo	30%
DENMARK	Denmark	0%
DJIBOUTI	Djibouti City	30%
DOMINICAN REPUBLIC	Dominican Republic	20%
ECUADOR	Guayaquil	15%
EGYPT	Cairo	15%
EL SALVADOR	El Salvador	15%
EQUATORIAL GUINEA	Equatorial Guinea	30%
ERITREA	Eritrea	30%
ESTONIA	Estonia	10%
ETHIOPIA	Addis Ababa	25%
FIJI	Fiji	15%
FINLAND	Finland	0%
FRANCE	France	0%
GABON	Libreville	15%
GEORGIA	Georgia	0%
GERMANY	Germany	0%
GHANA	Ghana	20%
GREECE	Athens	5%
GREENLAND	Greenland	25%
GRENADA	Grenada	10%
GUATEMALA	Guatemala City	15%
GUINEA	Guinea	30%
GUINEA_BISSAU	Guinea-Bissau	25%
GUYANA	Guyana	25%
HAITI	Haiti	30%
HOLY SEE	Holy See	0%
HONDURAS	Honduras	15%
HONG KONG	Tegucigalpa	15%
HUNGARY	Papa	5%
ICELAND	Reykjavik	5%
INDIA	Mumbai	20%
INDONESIA	Bandung	30%
IRAQ	Baghdad	25%
IRELAND	Ireland	0%
ISRAEL	Israel	0%
ITALY	Italy	0%
JAMAICA	Kingston	15%
JAPAN	Japan	0%
JERUSALEM	Jerusalem	5%
JORDAN	Jordan	5%
KAZAKHSTAN	Almaty	25%

Source: Adapted from US Department of State (2013)

**Table 2.2 (continued) Hardship Differential Pay Premiums for Selected Countries and Assignment Locations, December 2013**

Country	Place of Assignment	Differential Pay Premium
KENYA	Kenya	30%
KIRIBATI	Kiribati	0%
KOREA	Busan	5%
KOSOVO	Kosovo	25%
KUWAIT	Kuwait	10%
KYRGYZSTAN	Kyrgyzstan	25%
LAOS	Laos	25%
LATVIA	Latvia	5%
LEBANON	Lebanon	20%
LESOTHO	Lesotho	20%
LIBERIA	Liberia	30%
LIBYA	Libya	35%
LITHUANIA	Lithuania	5%
LUXEMBOURG	Luxembourg	0%
MACEDONIA	Macedonia	10%
MADAGASCAR	Madagascar	25%
MALAWI	Malawi	25%
MALAYSIA	Malaysia	10%
MALI	Mali	25%
MALTA	Malta	0%
MARSHALL ISALNDS	Majuro	20%
MAURITANIA	Nouakchott	25%
MAURITIUS	Mauritius	5%
MEXICO	Ciudad Juarez	10%
MICRONESIA	Micronesia	20%
MOLDOVA	Moldova	15%
MONGOLIA	Mongolia	25%
MONTENEGRO	Podgorica	15%
MOROCCO	Casablanca	5%
MOZAMBIQUE	Maputo	25%
NAMIBIA	Windhoek	5%
NEPAL	Nepal	20%
NETHERLANDS	Netherlands	0%
NEW ZEALAND	New Zealand	0%
NICARAGUA	Managua	15%
NIGER	Niamey	25%
NIGERIA	Abuja	25%
NORWAY	Norway	0%
OMAN	Salalah	15%
PAKISTAN	Islamabad	25%
PALAU	Palau	10%
PANAMA	Panama	0%
PAPUA NEW GUINEA	Port Moresby	30%
PARAGUAY	Paraguay	10%

Source: Adapted from US Department of State (2013)

**Table 2.2 (continued) Hardship Differential Pay Premiums for Selected Countries and Assignment Locations, December 2013**

Country	Place of Assignment	Differential Pay Premium
PHILIPPINES	Philippines	20%
POLAND	Poland	0%
PORTUGAL	Portugal	0%
QATAR	Doha	5%
REPUBLIC OF THE CONGO	Republic of the Congo	30%
ROMANIA	Romania	10%
RUSSIA	Moscow	15%
RWANDA	Rwanda	20%
SAINT KITTS AND NEVIS	Saint Kitts and Nevis	0%
SAMOA ISLANDS	Samoa	20%
SAO TOME AND PRINCIPE	Sao Tome and Principe	25%
SAUDI ARABIA	Al-Khobar	15%
SENEGAL	Senegal	20%
SERBIA	Belgrade	10%
SIERRA LEONE	Sierra Leone	30%
SINGAPORE	Singapore	0%
SLOVAK REPUBLIC	Slovak Republic	5%
SLOVENIA	Slovenia	0%
SOLOMON ISLANDS	Solomon Islands	15%
SOMALIA	Somalia	20%
SOUTH AFRICA	South Africa	5%
SOUTH SUDAN	Juba	30%
SPAIN	Spain	0%
SRI LANKA	Sri Lanka	20%
ST LUCIA	Saint Lucia	0%
SUDAN	Sudan	25%
SURINAME	Suriname	20%
SWAZILAND	Swaziland	15%
SWEDEN	Sweden	0%
SWITZERLAND	Switzerland	0%
SYRIA	Damascus	20%
TAIWAN	Kaohsiung	5%
TAJIKISTAN	Tajikstan	30%
TANZANIA	Tanzania	25%
THAILAND	Bangkok	10%
THE GAMBIA	The Gambia	20%
TIMOR-LESTE	Timor-Leste	25%
TOGO	Togo	30%
TONGA	Tonga	0%
TRINIDAD AND TOBAGO	Trinidad and Tobago	5%
TUNISIA	Tunisia	10%
TURKEY	Adana-Incirlik	10%
TURKMENISTAN	Turkmenistan	25%
UGANDA	Kampala	25%

Source: Adapted from US Department of State (2013)

**Table 2.2 (continued) Hardship Differential Pay Premiums for Selected Countries and Assignment Locations, December 2013**

Country	Place of Assignment	Differential Pay Premium
UKRAINE	Ukraine	20%
UNITED ARAB EMIRATES	Abu Dhabi	0%
UNITED KINGDOM	United Kingdom	0%
URUGUAY	Uruguay	0%
UZBEKISTAN	Tashkent	25%
VANUATU	Port Vila	15%
VENEZUELA	Venezuela	20%
VIETNAM	Hanoi	20%
YEMEN	Yemen	30%
ZAMBIA	Lusaka	15%
ZIMBABWE	Zimbabwe	25%

Source: Adapted from US Department of State (2013)

### 2.13.3. Expatriate Taxation

Due to the complexity of expatriate compensation systems, taxation processes are more complicated for enterprises and international assignees, with expatriates often being subject to taxes in both the home and host countries (Cascio, 2006:654; Grobler *et al.*, 2011:648; Harvey, 1993a:60; Hodgetts & Luthans, 1993:59; Phillips & Fox, 2003:468; Reynolds, 1997:125; Sims & Schraeder, 2005:103). Enterprises therefore follow one of the following strategies:

- *Laissez-faire* – This approach entails the expatriates paying their own taxation, and is usually used by smaller enterprises or those who are beginning to expand internationally.
- *Tax equalisation* – Expatriates may receive bills from both the host and home countries for the same salary. The enterprise withholds from the expatriate's income the tax obligation in the home country, and then pays all the taxes in the host country. Under this approach, there is no financial advantage for an expatriate to be assigned to one country as opposed to another.
- *Tax protection* – Under this approach, income tax is calculated in the home country on the base salary and compared with the tax that is due in the host country. The expatriate pays the tax up to the amount that he would have paid in the home country; if the host country's tax is higher the enterprise will pay the difference, while the expatriate may keep any windfall as a reward for accepting the assignment.

- *Ad hoc* – Each expatriate is handled differently, depending on the individual package that has been negotiated between him or her and the enterprise.

#### **2.13.4. International Compensation Problems**

Studies by Bonache *et al.* (2009:2145) and Harvey (1993b:787) identified discrepancies between compensation programmes for expatriates, HCNs and TCNs as a major issue related to the compensation of international assignees. Other less significant issues included the impact of the family life-cycle stage on compensation requirements; problems associated with repatriation; comparisons with unsuitable compensation programmes used in the past; and the effectiveness of the compensation evaluation process (Harvey, 1993b:787).

Expatriates usually work with similarly qualified local employees; however, they are paid, according to their nationality, on average three times more than a host national in an equivalent position, which is characteristic of an ethnocentric staffing policy (Bonache *et al.*, 2009:2135-2137; Harvey, 1993a:58; Hodgetts & Luthans, 1993:58). Reynolds (1997:127) reports that expatriates have been known to cost enterprises two to five times more than their domestic counterparts, with compensation packages more than ten times that of host nationals. This is supported by Phillip and Fox (2003:471), who mention that expatriate compensation may cost an enterprise three to five times more than a domestic employee in a similar position earning the same salary.

Understandably, HCNs are not given benefits such as living allowances, tax equalisation or repatriation; however, they fill similar positions within the foreign subsidiary and may deem this practice unfair. Expatriates usually also receive more benefits than TCNs, as TCNs generally possess more cross-cultural competences, enabling them to adapt more easily to foreign cultures. HCNs and TCNs interact frequently with international assignees and are able to assess the expatriates' inputs relative to their pay. This often decreases their pay satisfaction and reduces collaboration, motivation, turnover and commitment, and increases absenteeism (Bonache, 2006:169; Bonache *et al.*, 2009:2135-2137; Harvey, 1993b:790; Phillip & Fox, 2003:470; Suutari & Tornikoski, 2001:393)

Bonache *et al.* (2009:2145) urge multinational enterprises to justify higher compensation for expatriates by encouraging expatriate sensitivity towards HCNs (screening such personal characteristics during selection), and an understanding by host nationals of an expatriate's contributions and personal sacrifices while living abroad.



## 2.14. PERFORMANCE APPRAISAL

Fee *et al.* (2011:368), Harvey and Moeller (2009:287) and Van den Born and Peltokorpi (2010:111) define performance appraisal as a tool used to assess the job performance and development of an enterprise's employees through scales, questionnaires and progress reviews completed by the employee and his or her supervisor or peers. A performance appraisal can be seen as an objective, rational and systematic tool used by enterprises to manage their and their employees' performance. Performance appraisals are a means of providing feedback, deciding promotions and terminations, determining compensation, and identifying strengths and weaknesses of employees, as well as identifying development needs that may aid in the career-planning process. Without an accurate appraisal system in place it will be hard for enterprises to distinguish between high- and low-performing employees, allocate rewards fairly, design training programmes, and motivate desired performance outcomes (Appelbaum, Roy & Gilliland, 2011:581; Chiang & Birtch, 2010:1367; Grobler *et al.*, 2011:645; Harvey, 1997b:49; Jafari, Bourouni & Amiri, 2009:93; Martin & Bartol, 2003:120; Van den Born & Peltokorpi, 2010:111).

Chiang and Birtch (2010:1367), Grobler *et al.* (2011:646), Harvey (1997b:47), and Van den Born and Peltokorpi (2010:111) discuss the fact that the primary purpose of an enterprise performance appraisal in the short term is to evaluate employees against their colleagues and their past performance, while in the long term the purpose is to develop communication channels and provide valuable feedback. Appraisals are also important for employee development and subordinate expression and coaching.

Although domestic performance appraisals are traditionally conducted annually, appraisal methods are known to vary across cultures and countries. Gregersen, Hite and Black (1996:728) and Martin and Bartol (2003:119) found that events and expatriate actions (both positive and negative) that occur nearer to the time of the appraisal often have a significant impact on appraisal accuracy, a situation referred to as recency error. More frequent evaluations, conducted quarterly, semi-annually or monthly, allow managers to make changes quickly, realise goals, and to continuously monitor expatriates. This makes it easier for MNEs to identify and fix expatriates' problems while they are still manageable, provide encouragement and support and recognise achievement (Chiang & Birtch, 2010:1368; Gregersen *et al.*, 1996:728; Harvey, 1997b:46; Harvey & Moeller, 2009:284; Martin & Bartol, 2003:119).

Appelbaum *et al.* (2011:574), Fee *et al.* (2011:368), and Harvey and Moeller (2009:283) point out that performance appraisals for expatriates are often significantly more complex than those conducted in single-culture (domestic) settings. When performing in a host country, variables such as language barriers, conflicting values, geographical distance, and cultural and legal differences come into play, making performance appraisals more challenging. Raters should ensure that the system has a common understanding across the different cultures, and must be aware of how each culture may react to the appraisal and have respect for and an understanding of these reactions. Expatriate performance appraisals should assess both the expatriate and subsidiary in the foreign country. However, raters do not usually know what expatriates accomplish each day during work and are unable to rate their performance at first hand due to the geographical distance (Appelbaum *et al.*, 2011:575; Gregersen *et al.*, 1996:719; Harvey, 1997b:45).

Appelbaum *et al.* (2011:573), Gregersen *et al.* (1996:713) and Harvey (1997b:42) state that in order to increase the accuracy of international performance appraisals, enterprises should customise domestic appraisal forms for foreign subsidiaries, use multiple raters, increase rater knowledge of foreign countries and cultures, and also increase the frequency of appraisals. On the other hand, Harvey (1997b:57) argues that the use of multiple raters at different points in time may reduce the accuracy of expatriate performance appraisals, as raters struggle to remain consistent between appraisals.

According to Chiang and Birtch (2010:1368), Fee *et al.* (2011:376), Gregersen *et al.* (1996:727), Harvey (1997b:53) and Hill (2011:617), enterprises often make use of self-appraisals or arrange for expatriates to be appraised by raters from both the home and host countries, who are in executive, supervisory, or human resources positions. Raters may also include locals, host-national colleagues or clients. While expatriates' immediate supervisors have been found to be well qualified to evaluate their overall performance, their host-national peers are a more informed source, as they are able to observe the expatriate's performance, cross-cultural managerial skills, communication skills and leadership abilities on a daily basis. Home-country nationals may be biased by distance as well as by their lack of international experience. On the other hand, host-national managers may show bias towards or against expatriates due to their own cultural frame of reference and expectations. The ideal appraisal team would therefore seek to achieve a balance of raters from both the home and host countries, and possibly include former expatriates who were on assignment in the same host country. This multiple-rater system should decrease bias and reduce any possible halo,

primacy or first-impression errors that commonly occur in international performance appraisal systems. A study by Gregersen *et al.* (1996:727) found that an increase in the number of raters used had a positive relationship with the accuracy of performance appraisals.

Many authors (Appelbaum *et al.*, 2011:579; Fee *et al.*, 2011:368; Jafari *et al.*, 2009:95; Luthans & Farner, 2002:784; Van Mook, Gorter, O'Sullivan, Wass, Schuwirth & Van der Vleuten, 2009:e155) recommend that enterprises make use of a 360-degree evaluation process when conducting performance appraisals for expatriate managers on international assignments. A 360-degree appraisal system includes evaluations from a variety of sources, which allows MNEs to evaluate the performance of both the foreign subsidiary and the expatriate within the context of the host culture. These sources may include supervisors, peers, subordinates and direct reports, as well as supplier and customer feedback. The 360-degree feedback approach gathers information for developmental purposes by identifying strengths and weaknesses, and for administrative purposes in the form of performance appraisals, training, evaluation and promotional opportunities. This approach is highly beneficial to enterprises, as it aims to gather a multitude of information from a variety of stakeholders that is 'fed back' to expatriates, enabling them to develop action plans that will ultimately improve the enterprise's performance.

One of the main reasons why performance appraisals fail is psychometric errors, which include leniency, halo effect, restriction of range, recency and contrast. All of these can be reduced and their effect minimised by using a multi-rater evaluation system such as the 360-degree feedback approach. In some cases a self-evaluation may be included, which can increase the effectiveness of the appraisal system and improve an employee's satisfaction with the evaluation and his or her perception of justice and fairness (Appelbaum *et al.*, 2011:573; Harvey, 1997b:56).

Appelbaum *et al.* (2011:576-577) identify three major challenges that enterprises face when conducting international performance appraisals:

- *Individualist and Collectivist Cultures*

Appelbaum *et al.* (2011:576), Guan (2012:19) and Ng, Koh, Ang, Kennedy and Chan (2011:1036) mention that employees of an individualistic culture tend to rate their performance more favourably than those belonging to collectivist cultures. Members of an

individualistic culture focus primarily on themselves and their immediate families, while in a collectivist culture people tend to consider the needs of the group (families, work units) to be more important than their own. In individualistic cultures, performance appraisals provide a means for expatriates to enhance their personal impressions and status within the enterprise, and protect their egos. On the other hand, in collectivist cultures, where relationships are more important than individual interests, multi-rater appraisals are viewed as judgemental, and feedback regarding performance is viewed as detrimental to the harmony of the group's interpersonal relationships (Appelbaum *et al.*, 2011:576; Chiang & Birtch, 2010:1370; Grobler *et al.*, 2011:646; Ng *et al.*, 2011:1036).

- *Cultural Differences and Leniency Error*

Appelbaum *et al.* (2011:576), Guan (2012:5) and Ng *et al.* (2011:1033) state that leniency error occurs when a manager tends to be more lenient than other managers during performance appraisals or assigns higher ratings to some employees when compared with others. These managers want to be liked and are unwilling to give negative feedback. According to Ng *et al.* (2011:1033), rating biases are often exacerbated when managers possess cultural beliefs that are inconsistent with the practice of multisource feedback (involving peers and subordinates in the appraisal process).

In certain countries and cultures, employee evaluations tend to be inflated and do not reflect the reality of an employee's performance for the appraisal period. For example, Arabic countries still have certain "old-fashioned" historic practices in place. An Arabic employee who is punished often does not know why or is not informed of the reasons for the punishment, which is contradictory to most enterprise's fairness and ethical policies. Married employees are also often given more positive performance evaluations, as losing their jobs would be considered a disgrace to them and their family. In such cultures supervisors, peers and subordinates are often inclined to overestimate a married employee's performance, in order to avoid any complaints and confrontation (Appelbaum *et al.*, 2011:576; Van Mook *et al.*, 2009:e154).

- *Trust and Open Relationships*

Trusting and open relationships between supervisors and employees are essential to achieving an effective performance appraisal. Developing trust is challenging when supervisors and employees are working in different countries, as is often the case with expatriates. These

expatriates are unable to interact frequently with their supervisors to discuss job-related performance issues. Different cultural backgrounds, time-zone differences, language barriers, culture, gender and social status may inhibit the development of trusting and open relationships between an expatriate and his or her supervisor. These challenges have been known to widen the gap between the rater and the employee, which may result in an unfair performance appraisal. Expatriates should openly discuss their performance results with their supervisors to reduce the inevitable perception gap and improve communication and trust (Appelbaum *et al.*, 2011:577; Chiang & Birtch, 2010:1373-1378).

Training is a crucial factor to conducting effective performance appraisals and reducing bias. Enterprises should train and retrain their managers on how to conduct performance appraisals and expatriates should be aware of how to set proper goals and objectives at the start of each year. Raters should also develop a relationship with expatriates by giving feedback on a frequent and ongoing basis (Appelbaum *et al.*, 2011:574-575; Harvey, 1997b:42).

According to Harvey (1997b:43-45) and Harvey and Moeller (2009:284-286), separate and unique performance appraisals should be developed for international subsidiaries and expatriate managers, as their situations in the host country differ significantly from those of head office. Reasons for developing such unique performance appraisals are as follows:

- *Diverse Employees to be Managed*

Expatriates assigned to overseas subsidiaries may be home-country nationals, host-country nationals or third-country nationals, with different compensation and benefits packages, career paths and opportunities and performance expectations (Harvey, 1997b:43; Harvey & Moeller, 2009:284). According to Fee *et al.* (2011:368), Harvey (1997b:41) and Harvey and Moeller (2009:284), appraisal instruments may need to be customised to accurately measure subjective information in a cultural context, and to take local values, norms, attitudes, beliefs and myths into account.

- *Multiplicity of External Environments*

Harvey (1997b:43), Harvey and Moeller (2009:285) and Martin and Bartol (2003:118) state that expatriates may be faced with events in the environment that may impede or benefit their performance. The level of economic development, changes in inflation, unemployment and interest rates, governments' involvement and legal constraints often have an impact on an expatriate's job performance. If the appraisal process does not address significant differences

in such variables between the home and host countries, performance appraisals within an enterprise will probably be unfair and inconsistent.

- *Limited Understanding of the Differences in the International Marketplace*

Domestic raters who do not have international experience or are unfamiliar with the various aspects of expatriate assignments may have difficulty in providing fair and reasonable performance appraisals. Raters need to clearly understand the foreign situation and the unique context within which the expatriate is performing. Domestic and international appraisal processes should then be separated, to highlight the differences and improve the chance of fair overall evaluations (Fee *et al.*, 2011:368; Gregersen *et al.*, 1996:712; Harvey, 1997b:43; Harvey & Moeller, 2009:285).

- *Differences in Organisational Structure, Strategy and Culture*

According to Harvey (1997b:44) and Harvey and Moeller (2009:285), domestic and international subsidiaries may have different goals and strategies in place, the degree of centralisation of decision making (differences in authority and autonomy) may differ, and the cultural fit between headquarters and foreign subsidiaries may be inconsistent, which may affect the manner in which appraisal processes are conducted.

- *Non-comparable or Missing Data*

Data often varies significantly between foreign subsidiaries and headquarters and cannot be compared during appraisals. For this reason, many enterprises that make use of standardised performance evaluations do not accurately appraise their expatriates. The comparison of home-country and expatriate managers' performance should be based on comparable data and standards (Harvey, 1997b:57; Harvey & Moeller, 2009:285).

- *Time, Cost and Distance Issues*

The time it takes for expatriates to adjust to the foreign environment should be reflected in the frequency of their appraisals in order to produce an accurate evaluation of their performance (Harvey, 1997b:44; Martin & Bartol, 2003:119). Fee *et al.* (2011:368), Harvey (1997b:57) and Harvey and Moeller (2009:286) mention that the allowances for performance evaluations need to be accommodated to the international environment, because the rater and expatriate are separated both geographically and by time. Gregersen *et al.* (1996:719) point out that those raters who are geographically removed from the expatriate, such as home-

country supervisors, have not had the opportunity to observe the expatriate in the work environment and may not have access to relevant on-the-job information. It is therefore important for host-country nationals to also be included in the evaluation process.

- *Using Appraisal Information for Developmental Purposes*

Performance appraisals should provide data on how to develop expatriates in order to reduce the high failure rate. The appraisal system should increase expatriates' understanding of career opportunities and how international assignments may enhance their careers (Harvey, 1997b:45; Harvey & Moeller, 2009:286).

## **2.15. REPATRIATION**

Repatriation can be defined as the process that is initiated prior to the departure of an expatriate, continues during the international assignment, and is terminated upon the return of the expatriate and the family to the home country. Repatriation is therefore the process of preparing expatriates and their families for their return to their home country (Frändberg & Kjellman, 2005:2; Harvey & Moeller, 2009:286; Hill, 2011:615; Mendenhall *et al.*, 1987:332; Reiche & Harzing, 2009:25).

International assignments can often be enjoyable, financially lucrative and career-enhancing experiences for expatriates. However, one of the biggest international problems faced by MNEs is the management of repatriation (Collings *et al.*, 2007:201; Forster, 1997:428; Nery-Kjerfve & McLean, 2012:614; Stahl *et al.*, 2002:222). MacDonald and Arthur (2005:145) and Nery-Kjerfve and McLean (2012:618) state that repatriation is often an overlooked aspect of international assignments, even though it pertains to the expatriate's career development.

Despite the fact that expatriate literature indicates that repatriation and its associated reverse culture shock can prove to be more difficult for the expatriate and their family than the initial relocation experience, Collings *et al.* (2007:201), Grobler *et al.* (2010:651), MacDonald and Arthur (2005:145), and Pattie, White and Tansky (2010:370) found that enterprises are not providing repatriation programmes or aiding expatriates in the readjustment process. Harvey (1989:136) found that only 31 percent of enterprises provided formal repatriation programmes for expatriates returning home.

According to Pattie *et al.* (2010:359), enterprises prefer to hire or promote executives who have international experience over those with only domestic work experience. These

international executives are given greater job responsibilities, and are more likely to perform at higher levels and receive a higher level of compensation. Yet despite the fact that international experience is so highly regarded by MNEs, very few enterprises have clear programmes or practices designed to ease the repatriation process and retain expatriates after their return to the home country (Collings *et al.*, 2007:201; Harvey & Moeller, 2009:282; Nery-Kjerfve & McLean, 2012:614; Pattie *et al.*, 2010:359).

### **2.15.1. Challenges of Repatriation**

According to Harvey and Moeller (2010:288-290), various issues arise during the repatriation process as expatriate families return to their home country:

- *Financial Issues*

Harvey (1989:133) and Harvey and Moeller (2010:288) point out that when expatriates return to their home country, they no longer receive the allowances and assistance they had during the assignment. Expatriate families often need to make large financial commitments (housing, cars, furniture, education) when they return, and struggle as a result of this simultaneous loss of allowances and additional funds. This increases their stress and anxiety levels and inhibits their ability to readjust to the home country (Black & Gregersen, 1991b:678; Harvey, 1989:133)

A study by Black and Gregersen (1991b:688) found that 25 percent of repatriates experienced financial issues, especially when they needed to purchase a new house. According to Cascio (2006:660), 68 percent of expatriates are unsure of what their positions in the enterprise will be when they return to the home country. Fifty-four percent of expatriates return to lower-level jobs, while only 11 percent of expatriates are promoted on their return; 77 percent of repatriates were found to have less disposable income when they returned home than they had had during the international assignment, resulting in various financial difficulties for the family.

- *Family Issues*

Various issues arise when expatriate families return to their home country. The expatriate is required to settle into a new position, the children need to be reintegrated into schools and the trailing spouse often requires assistance with his or her career, especially since the family no



longer receives allowances or hardship pay (Grobler *et al.*, 2010:651; Harvey, 1989:134; Harvey & Moeller, 2010:288).

- *Individual Expatriate Manager Issues*

Harvey (1989:133), Harvey and Moeller (2010:288), Hill (2011:615), Hurn (2007:15), Nery-Kjerfve and McLean (2012:615), and Shen and Hall (2009:801) mention that repatriates are often placed in “holding” or standby positions, or in positions well below their level of aptitude. The enterprise does not make use of the skills that these expatriates acquired during the assignment, and expatriates usually end up questioning the goals and objectives of the international assignment. Expatriates’ expectations of possible new positions or promotions in the home country are often not realised when they return home, increasing the turnover rate. Forster (1997:428) found that only 23 percent of expatriates’ expectations regarding their return were met. Other managers may observe the problems experienced by repatriates, and be unwilling to accept international assignments in the future (Baruch & Altman, 2002:249; Grobler *et al.*, 2010:651; Harvey, 1989:132; Nery-Kjerfve & McLean, 2012:620; Shen & Hall, 2009:802).

- *Enterprise Issues*

As mentioned by Harvey and Moeller (2010:289), expatriates may even be asked to remain in the foreign country longer until the home country has a position available for them. Expatriates are often uncertain about their length of stay in the foreign country, as the enterprise is unable to accommodate them at headquarters (Mendenhall *et al.*, 1987:337). This de-motivates expatriates and their families, increases costs for the enterprise and increases the stress levels of both the expatriate and the HR managers.

- *Future Career Issues*

Black, Gregersen and Mendenhall (1992:738), Harvey and Moeller (2009:290), and Malek (2011:200) state that enterprises often feel that repatriates do not require as much attention as expatriates leaving for an assignment, because they are ‘coming home’. These enterprises therefore fail to develop repatriation processes and, as a result, struggle to attract other managers for future expatriate positions. The lack of a well-articulated career path may reduce the attractiveness of international assignments for potential future expatriates. Baruch and Altman (2002:242) describe the return process for expatriates as a ‘career disaster’, while Mendenhall *et al.* (1987:337) refer to an international assignment as a ‘haphazard, ill-planned

affair'. When they return to the enterprise's headquarters, expatriates often experience a loss of career and promotional opportunities (Mendenhall *et al.*, 1987:337; Nery-Kjerfve & McLean, 2012:615)

Gomez-Mejia *et al.* (2010:578-580) state that between 20 and 40 percent of repatriates leave the enterprise shortly after their return to the home country, with almost half of repatriates leaving the enterprise within two years. Repatriates frequently confront the following four issues on their return to the home country:

- *A Lack of Respect for Acquired Skills*

International assignments provide expatriates with a variety of valuable skills and information that they are able to circulate between international subsidiaries. On their return to the home country, their peers and supervisors at the headquarters may show a lack of interest and appreciation for their new-found skills and expertise. Expatriates become professionally unproductive and dissatisfied when their enterprise fails to capitalise on their international experience; thus they often seek employment elsewhere (Gomez-Mejia *et al.*, 2010:578; Hill, 2011:615; Hurn, 2007:15; Nery-Kjerfve & McLean, 2012:615; Stahl *et al.*, 2002:223).

Pattie *et al.* (2010:368) found that 43 percent of HR managers attributed voluntary turnover to the poor utilisation of the international skills expatriates acquired during the assignment. Gomez-Mejia *et al.* (2010:578) state that only 12 percent of repatriates felt that their international assignment had enhanced their career development, and almost two-thirds of repatriates were of the opinion that the enterprise did not take advantage of the knowledge and skills they had acquired while overseas. Expatriates become frustrated when they realise they are unable to immediately use their newly acquired skills and experience. As a result, MacDonald and Arthur (2005:154) advise enterprises to create opportunities for repatriates to use the skills and expertise they acquired during the international assignment.

- *Loss of Status*

Three-quarters of repatriates have reported experiencing a substantial loss of prestige, power, independence and authority once they return to the enterprise's headquarters. This causes extreme distress and negatively affects an expatriate's adjustment (Black & Gregersen, 1991b:677; Bonache & Fernández, 1997:466; Gomez-Mejia *et al.*, 2010:579; Harvey, 1989:133; MacDonald & Arthur, 2005:152; Mendenhall *et al.*, 1987:336).

Pattie *et al.* (2010:368) found that 32 percent of enterprises stated that a loss of autonomy was the primary reason for repatriate turnover; 26 percent found that repatriates felt they had taken a step back in their career once they returned to the home country; while 26 percent of enterprises mentioned that expatriates left the MNE because they were offered better jobs. A study by Forster (1997:428-429) found that 37 percent of repatriates experienced a 'reduced work status'; 32 percent reported a downward career move; while 16 percent of repatriates experienced a decrease in their responsibilities.

Gomez-Mejia *et al.* (2010:579) state that the resultant disappointment when they return leads to 77 percent of repatriates accepting international positions with another enterprise or competitor rather than taking up a position in the domestic office. A study by Stahl *et al.* (2002:222) found that 51 percent of expatriates were willing to leave their enterprise to pursue opportunities in another. Expatriates who work for competitors transfer valuable knowledge and technological know-how, which could otherwise be retained through adequate repatriate training and support processes.

Collings *et al.* (2007:201) mention that 20 percent of repatriates wish to leave their enterprise upon their return, while many studies (Black & Gregersen, 1991b:672; Black *et al.*, 1992:738; Yeaton & Hall, 2008:77) mention that roughly 25 percent of expatriates leave their enterprise within one year of returning home. Hill (2011:615) quotes figures from the Conference Board Study that indicate that 15 percent of expatriates leave the enterprise within a year, and 40 percent leave within three years. Black *et al.* (1992:752) state that repatriate turnover is almost double that of domestic employees. This is supported by Baruch and Altman (2002:241), who mention a study by Dowling, Schuler and Welch (1994) which found that between 20 and 40 percent of expatriates leave their enterprises within two years of returning to the home country, compared with five to ten percent of domestic employees.

- *Poor Planning for Return Position*

Gomez-Mejia *et al.* (2010:579) state that more than half of expatriates are unaware of what position awaits them once they return to the home country, while Hill (2011:615) mentions that 60 to 70 percent of expatriates are unsure of what their position within the enterprise will be when they return. Mendenhall *et al.* (1987:336) point out that a major problem experienced by MNEs is that no position exists for the expatriate on his or her return. This uncertainty regarding their career causes a lot of stress and anxiety for expatriates and their families and inhibits their adjustment (MacDonald & Arthur, 2005:148).

MacDonald and Arthur (2005:149) quote a study by GMAC Global Relocation Services, which found that 70 percent of repatriates had no post-assignment guarantee. Nineteen percent of enterprises included in a study by Pattie *et al.* (2010:367) reported that repatriates' contracts were terminated because there was no position for them upon their return.

- *Reverse Culture Shock*

According to Baruch and Altman (2002:249), Black and Gregersen (1991b:674), Gomez-Mejia *et al.* (2010:580), MacDonald and Arthur (2005:147), and Nery-Kjerfve and McLean (2012:615), expatriates are usually unaware of the psychological adjustments they have made until they return home. Expatriates must once again adjust on a full-time basis to interacting with home nationals. They usually find it extremely difficult to 'unlearn' the foreign culture and acquire knowledge about the home culture from a new perspective. Gomez-Mejia *et al.* (2010:580) found that 80 percent of repatriates experience reverse culture shock which may lead to alienation, a sense of uprootedness, and disciplinary problems that may cause repatriates to take up positions with competitors.

According to Harvey (1989:132) and Hurn (2007:14-15), expatriates do not anticipate the sense of loss and isolation that results from a lack of understanding of current behaviour in the home country. When expatriates are assigned to an international assignment, they expect adjustment to the foreign environment to be difficult and so prepare accordingly. Once they return to the home country they expect to encounter little change, but the reality is that things have often changed considerably. Frequently the expatriate family returns to find they have missed out on many events, fads and trends that occurred during the international assignment, inhibiting their adjustment. Black and Gregersen (1991b:688) found that 38 percent of repatriates experienced significant difficulties with readjusting to the home country.

Repatriates involved in this readjustment process need support not only from family and friends but also from their employers. Upon returning from their overseas assignment many repatriates lack an awareness and/or understanding of changes in their home office and how these changes may affect their ability to navigate re-entry. Changes expatriates encounter include individual changes (attitudes, beliefs and values) and changes in the home country (technology, social norms, enterprise culture, economic conditions). If they are made aware of these changes, they are able to make the necessary attitudinal and behavioural adjustments before they re-enter the home country. If the enterprise shares this information in a timely manner, expatriate uncertainty will be reduced and their satisfaction and adjustment will be

increased (Black *et al.*, 1992:740; Nery-Kjerfve & McLean, 2012:616; Pattie *et al.*, 2010:361).

### **2.15.2. Strategies for Successful Repatriation**

Malek (2011:201), Nery-Kjerfve and McLean (2012:615), and Pattie *et al.* (2010:364) explain that returning home from an international assignment can be a very stressful time (even more so than expatriation) for expatriates and their families and it may take several months for the family to readjust to the home country and culture. Those who adjust slowly may experience performance issues and enterprises may have trouble with retention once expatriates return to the home country. Repatriate training enables enterprises to provide support to ease the readjustment process.

Cascio (2006:661), MacDonald and Arthur (2005:150), Nery-Kjerfve and McLean (2012:620), and Pattie *et al.* (2010:364) advocate that pre-return training eases reverse culture shock and makes expatriates aware of the possible challenges they will face on their return to the home country and their assumption of a new role within the enterprise. This training will point out recent structural, technological, legal or ethical changes in the enterprise. A study by Pattie *et al.* (2010:367) revealed that only five to seven percent of enterprises provided some sort of repatriate training to their expatriates, while 70 percent provided no training at all.

Housing and relocation assistance is usually provided to expatriate families when they arrive in the foreign country. However, when returning home, enterprises expect expatriates to be more easily adjusted and therefore neglect to provide a similar support structure. This discontinuation of enterprise housing assistance creates additional stress and has a negative effect on the family's adjustment (Black *et al.*, 1992:752; Harvey, 1989:133; Harvey & Moeller, 2010:288; Pattie *et al.*, 2010:364). However, a study by Pattie *et al.* (2010:367) found that 60 percent of enterprises provided some form of relocation support to their repatriate families, which has been proved to reduce turnover as well as the stress associated with moving back home.

Career sponsors may be appointed in the foreign environment to ease transition or in the home country to protect the expatriate's career interests while they are assigned overseas. Such sponsors or mentors are assigned to keep in touch with expatriates, monitor their progress and convey important and relevant information regarding the enterprise and home

country. Mentors help expatriates with networking in the host country and transferring knowledge between subsidiaries and headquarters. They also provide contacts, valuable information and support, career direction and repatriation assistance and help expatriates stay updated on the enterprise's current affairs. Sponsors or mentors have been positively related to repatriate adjustment and may include the repatriate's colleagues, previous repatriates or human resource personnel (Black *et al.*, 1992:747; Cascio, 2006:661; Hurn, 2007:15; MacDonald & Arthur, 2005:150; Nery-Kjerfve & McLean, 2012:621; Yeaton & Hall, 2008:77). The study by Pattie *et al.* (2010:367) found that only seven percent of enterprises provide a sponsor for repatriates to guide them through the re-entry process.

In order to facilitate a successful repatriation process, enterprises need to develop a well-articulated process of repatriation prior to, during and after the international assignment. According to Harvey and Moeller (2009:286), successes can be divided into three phases:

- *Phase 1: Pre-expatriation Planning*

The various issues experienced by expatriates on their return to the home country are often due to the country's characteristics to which they are assigned. The enterprise should assess the nature of the assignment and the nature and context of the foreign environment before an expatriate's departure. The more culturally distant the host country is, and the more difficult the assignment, the harder it will be for the expatriate and their family to adjust (Black & Gregersen, 1991b:689; Black *et al.*, 1992:749; Harvey & Moeller, 2009:286).

The family often struggles to adjust on their return according to the level of adjustment they had to make on their arrival in the host country. Prior to their departure for the assignment, the enterprise should provide career counselling, and the expatriate and their enterprise should discuss appraisal methods, and possible issues that may arise while overseas, providing them with a realistic job preview. They should also be made aware of the diverse problems they may experience when returning to the home country and receive training regarding these issues before they return home (Harvey, 1989:138; Hurn, 2007:11; MacDonald & Arthur, 2005:153; Shen & Hall, 2009:796). Pattie *et al.* (2010:360) state that less than 37 percent of enterprises provide some form of career planning for repatriates, while only one-third of MNEs have strategies in place that address the numerous issues repatriates encounter when returning home.

- *Phase 2: Expatriation Phase*

Black and Gregersen (1991b:676), Black *et al.* (1992:747), Harvey and Moeller (2009:286), Hurn (2007:15), and Nery-Kjerfve and McLean (2012:620) advise that enterprises provide pre- and post-return training and orientation for expatriates and their families. Expatriates and their families should receive repatriation training during the international assignment, and performance appraisals should include formal repatriation discussions. Training should cover reverse culture shock, a potential return strategy, sensitive areas such as redundancy or possible demotion, as well as changes that have occurred in the expatriate family, the home country, and the enterprise. Repatriation training programmes provide expatriates with valuable information and display an enterprise's concern for its expatriates and their families (Hurn, 2007:15). Pattie *et al.* (2010:360) state that more than 30 percent of enterprises do not discuss repatriation with their expatriates, and more than 40 percent of those that do, do so within the last six months of an expatriate's international assignment. Forster (1997:429) found that more than a quarter of expatriates felt that they were not given sufficient opportunities to discuss their return to the headquarters with those responsible for managing repatriation. The same study also found that 42 per cent of these expatriates felt that they were not given adequate time to prepare for repatriation.

Black *et al.* (1992:747), Grobler *et al.* (2010:651), Hill (2011:615), Hurn (2007:15), MacDonald and Arthur (2005:150), and Pattie *et al.* (2010:370-371) suggest that enterprises maintain communication channels with expatriates (and vice versa) during the assignment to assist with their assimilation and adjustment. Such channels provide expatriates with updates and changes within the home office, tailor-made schooling and financial advice, local community issues, and possible types or levels of positions that will be available when they return. Expatriates who are in regular contact with the home office experience fewer surprises and unmet expectations when they return. Frequent visits to the home country as well as enterprise newsletters help expatriates keep in touch with colleagues, keep up to date on structural and technological changes, and be aware of the business climate in the home country. This will prepare expatriates in advance for their return to the home country, reduce their uncertainty associated with adjustment, and enable them to manage their careers while overseas.

- *Phase 3: Repatriation Phase*

According to Harvey (1989:133), Harvey and Moeller (2009:286), and Nery-Kjerfve and McLean (2012:620), an expatriate's career path should remain the central focus of the repatriation process. Expatriates are often placed in temporary positions when the enterprise is not fully prepared for their return or when timing becomes an issue. Instead of placing expatriates in standby positions, the enterprise should give them sufficient time off to relocate and re-adjust to the home country (MacDonald & Arthur, 2005:151).

Hurn (2007:15) advises enterprises to conduct exit interviews whenever possible to determine expatriates' reasons for leaving the enterprise once they have returned to the home country. Repatriate debriefing interviews should also be conducted immediately upon the return of the expatriate. These interviews help expatriates re-establish old ties with the home organisation and may aid them with their career development. Such interviews address technical and general issues that arose during the assignment, and provide useful insights into the foreign environment for future use (Grobler *et al.*, 2010:646; MacDonald & Arthur, 2005:151; Nery-Kjerfve & McLean, 2012:620).

## **2.16. CHAPTER SUMMARY**

Due to the intense competitive pressures from globalisation, multinationals need to establish foreign subsidiaries, enter into joint ventures and strategic alliances, and employ international managers in order to remain competitive and enter into global markets. This chapter emphasised the importance of, and the challenges associated with, attracting, developing and retaining expatriates in a multinational enterprise.

Whether or not an enterprise's resources and capabilities provide it with a sustainable competitive advantage can be determined by the resource-based view of SHRM. As mentioned early in the chapter, for a resource to provide an enterprise with a sustainable competitive advantage it must be valuable, rare, inimitable, non-substitutable and exploitable. An MNE's human resources have the highest probability of being a source of sustained competitive advantage, proving IHRM to be of the utmost importance for successful multinationals.

This chapter went on to discuss various international strategies that enterprises follow according to the extent to which they participate in global competition, as well as the different forms of expatriation. Enterprise strategies may follow that of a multinational



enterprise, a global enterprise, an international enterprise, or a transnational enterprise. Expatriation can take three forms: parent-country nationals, host-country nationals and third-country nationals, depending on the nationality of the enterprise's expatriate managers. In addition to the types of expatriate, various staffing policies are available to MNEs which have been known to bring about numerous challenges for enterprises, as they recruit and retain employees sourced from multiple global locations. These policies include an ethnocentric staffing policy, which makes use of parent-country nationals, a polycentric staffing policy associated with the recruitment of host-country nationals, a geocentric staffing policy, which hires expatriates from diverse backgrounds, and a regiocentric staffing policy, which hires the best third-country nationals within specific regions.

It follows, then, that an expatriate is a citizen of one country who is working outside their home country with a planned return to that or a third country. Typical assignment durations, as well as reasons for expatriates accepting an international assignment were then discussed. The key strategic roles of expatriates were also mentioned; namely, to fill positions, to develop managerial skills and to develop the enterprise.

An in-depth discussion on expatriate failure (defined as underperformance, premature return or repatriate failure) was included, which covered global and local South African failure statistics, costs of expatriate failure, and reasons for failed assignments. The most common causes of failure include an inability of the expatriate or their spouse to adjust, other family and personal issues, and a lack of cross-cultural skills.

This chapter contained a detailed discussion of the expatriation process, which consists of selection, training and development, arrival and support, and finally repatriation, and emphasised the many challenges faced by enterprises throughout the process. Selection processes often prove to be extremely difficult for enterprises, as expatriates are selected on the presence of additional personality and cross-cultural characteristics, in comparison to their domestic counterparts. In addition to selection problems, enterprises experience issues with expatriate preparation and training, as both of these elements are crucial to the expatriate's adjustment to the foreign environment and therefore also to the assignment's success. Because an expatriate's or their spouse's inability to adapt has become the primary cause of failure, it was necessary to include a detailed discussion focusing on different types of adjustment, the various issues that may arise overseas, and what enterprises can do to combat these problems.

A lack of relevant training prior to an international assignment has been proved to result in culture shock and increase an expatriate's chance of failure. This chapter examined issues confronted during enterprise training programmes and mentioned statistics related to global international training methods, as well as types of training, and how enterprises should go about conducting such programmes. An expatriate's well-being and adjustment during an assignment has been found to be directly related to the support he or she receives while overseas. Chapter 2 emphasised the importance of enterprise support and social networks for expatriate success, and provided advice regarding such matters.

One of the most complex issues in IHRM is the design and maintenance of an appropriate compensation and benefits plan for expatriates during the assignment. This aspect proves to be challenging, as HR managers need to consider the host country's laws (tax systems and rates), customs (attitude towards compensation and benefits), environment (inflation, fluctuating exchange rates and cost of living) and employment practices. This chapter covered the six basic approaches to expatriate compensation (negotiation, balance-sheet approach, localisation, lump sum, cafeteria and regional systems), the various elements included in an expatriate's compensation package (base pay, benefits or incentives, allowances and taxation), and mentioned common problems related to the compensation of international assignees. Expatriate performance appraisals are extremely important for enterprise and employee development; however, they are often not conducted on a regular basis, or bias errors occur. This chapter advised enterprises to conduct frequent appraisals that have been adapted for various host-country environments. This would allow managers to make changes quickly, realise goals and to continuously monitor expatriate performance.

A discussion regarding repatriation concluded this chapter, as it is the final step in the expatriation process and involves preparing expatriates and their families for their return to the home country. Repatriation is the biggest international problem faced by MNEs and is often overlooked by HR managers. Various issues arise during the repatriation process; these issues are related to: finances, the family, the expatriate, the enterprise, the expatriate's future career, a lack of respect for their acquired skills, a loss of status, poor planning for a return position, and most importantly the inevitable reverse culture shock. To combat these challenges, enterprises should improve pre-expatriation, expatriation and repatriation policies.

This chapter's primary focus was thus the effective management of an enterprise's IHRM, a crucial component of an enterprise's success. Multinationals face numerous issues regarding the selection, retention and management of expatriates in their foreign subsidiaries. The profound differences between languages, cultures, and legal, political and economic systems complicate an enterprise's staffing, performance and compensation activities. An enterprise's ability to meet strategic objectives and gain a competitive advantage over its rivals is determined by its ability to acquire and build an effective workforce with unique capabilities, proving IHRM to be an essential component of an enterprise's strategy.

## CHAPTER 3

### EXPATRIATE TRAILING SPOUSES

#### 3.1. INTRODUCTION

The process of relocating to a foreign country for an international assignment often involves an expatriate's family, as the spouse and children frequently accompany the expatriate on assignment (Caligiuri, Joshi & Lazarova, 1999:166; Kupka *et al.*, 2008:1765). Harris (1993:11), Hill (2011:611), Mohr and Klein (2004:1190), Rosenbusch and Cseh (2012:61), and Tung (1987:117) state that expatriates rarely fail due to technical incompetence, but rather because of family and personal issues, concerns regarding the spouse's career, or a lack of intercultural skills that was not addressed during the selection process. Kupka *et al.* (2008:1765) point out that spouses who accompany the expatriate contribute to an already complicated and competitive situation. Van Heerden and Wentzel (in Van Aswegen, 2008:54) indicate that 62 percent of failed assignments are due to personal reasons, which include the spouse, the family and the expatriates' own adjustment. Neither the expatriate nor the spouse are prepared to deal with the level of uncertainty associated with an international assignment, proving expatriation to be more stressful for dual-career couples (Harvey & Wiese, 1998b:33).

Despite the fact that the inability of the trailing spouse to adjust has been found to affect the expatriate's adjustment and success, and cause premature return from an assignment, very few studies have focused on the spouses' experience abroad and adjustment process during the assignment (Andreason, 2008:386; Caligiuri *et al.*, 1999:166; Konopaske *et al.*, 2005:406; Selmer & Leung, 2003:10; Takeuchi, 2010:1047, Wilson, 2011:9).

According to Mäkelä, Käsälä and Suutari (2011:186), Miser (2010:1), and Van Erp *et al.* (2011b:539), the successful adjustment of an expatriate's spouse is significantly related to the success of an international assignment. The spouse should therefore be included in multinationals' preparation, training and support initiatives, in order to reduce the possibility of expatriate failure. Moore (2002:65) states that all spouses require assistance from the enterprise in terms of learning the host country's language, adjusting to the foreign culture, and social support networks to replace family and friends left behind in the home country.

### 3.2. ISSUES WITH EXPATRIATE TRAILING SPOUSES

Andreason (2008:386), Briscoe *et al.* (2009:185), Caligiuri *et al.* (1999:166) and Mendenhall *et al.* (1987:331) discuss the numerous obstacles that expatriates and their spouses confront in the foreign societies to which they are assigned. These may include culture shock, isolation, homesickness and differences in work-related norms, healthcare systems, housing, schooling, cuisine, language, gender roles and the cost of living. Deen (2011:10), Harvey and Moeller (2009:280), Haslberger and Brewster (2008:326), and Yu, Yi, Chiao and Wei (2005:188) acknowledge that these obstacles tend to create high levels of stress and tension for those spouses who accompany their partners on assignment, which may lead to conflict within the family, affecting the expatriates' morale and ability to perform their job effectively. Trailing spouses experience stress as they establish the family in the host country, while simultaneously 'relocating' their careers. These spouses often feel frustrated and helpless as they search for housing, connect utilities and locate grocery stores, doctors and other service providers without understanding the host country's language or culture (Harvey & Wiese, 1998b:34; Selmer & Leung, 2003:11).

Many studies (Andreason, 2008:387; Caligiuri *et al.*, 2009:257; Gupta *et al.*, 2012a:3560; Kupka *et al.*, 2008:1767; Selmer & Leung, 2003:11; Van der Zee, Ali & Salomé, 2005:240; Van Erp *et al.*, 2011a:75) have proved that trailing spouses have to deal with greater stress and adjustment difficulties in the host environment than the expatriate. The spouse tends to be less sheltered from the foreign environment and more immersed in the culture than the expatriate, yet tends to be excluded from selection and training processes and receive less in-country support, making it harder for him or her to adjust (Andreason, 2008:386-387; Copeland & Norell, 2002:258; Davidson & Kinzel, 1996:113; Tung, 1982:65; Wilson, 2011:9; Yu *et al.*, 2005:187). The spouse often struggles overseas; while the expatriate benefits from the stability of a familiar work environment, the spouse is left feeling alienated, without the social support network that was present in the home country.

Many enterprises fail to recognise the relationship between the adjustment of the expatriate and that of the trailing spouse while overseas, and as a result they neglect to include the family in the expatriation process. The expatriate spouse's adjustment is a critical determinant of whether or not expatriates will complete their assignment and how well they perform while overseas (Andreason, 2008:382-387; Selmer & Leung, 2003:10; Tung, 1982:65; Wilson, 2011:9).

A survey in 2005 by General Motors Acceptance Corporation (GMAC) and National Foreign Trade Council (NFTC) (quoted by Brown, 2008:1019) showed that 47 percent of candidates withdraw themselves from consideration during a multinational's selection process owing to 'family concerns', while a study by PricewaterhouseCoopers (quoted by Brown, 2008:1019) found that 59 percent of candidates refused an international assignment owing to 'dual-career issues'. Expatriates often refuse international assignments due to spousal career and family concerns, as the pressures associated with such an assignment make families more vulnerable to internal conflict (Kupka *et al.*, 2008:1766; Richardson, 2006:471). Shell and Solomon (in Els, 2007:23) indicate that 48 percent of reasons for turning down an international assignment are spouse related; 27 percent are related to the candidate's children; and 29 percent are related to both the spouse and children.

### **3.2.1. Dual-Career Couples**

As previously defined, a dual-career couple is one in which both partners are employed and psychologically committed to their professions (Harvey & Buckley, 1998:99; Konopaske *et al.*, 2005:408; Mäkelä, Käsälä & Suutari, 2011:185). Selmer and Leung (2003:9) point out that 57 percent of all overseas assignments involved dual-career couples. Ntshona (2007:68) found that 83 percent of South African expatriate managers have a spouse or partner that would either be left behind or would accompany the manager for the duration of the assignment. Ali *et al.* (2003:564), MacDonald and Arthur (2005:152), Shaffer, Harrison, Gilley and Luk (2001:100), as well as Wu and Ang (2011:2690) state that approximately 80 percent of expatriates take their spouses with them on assignment, while Van Erp *et al.* (2011a:58) found that 90 percent of all expatriates are accompanied by their partners.

Dual-career couples face various issues when accepting an international assignment, most of which arise when the trailing spouse seeks employment opportunities in the host country (Cho *et al.*, 2013:1053; Harvey, 1995:226; Shaffer *et al.*, 2012:1295). Haslberger and Brewster (2008:324-330) discuss a study that reported that roughly 60 percent of expatriates were accompanied by their spouse on the assignment, 60 percent of whom were employed before the assignment, while only 21 percent were employed during the assignment. A study by McNulty (2012:428) found that only 36 percent of trailing spouses were able to find suitable work in the host country, owing to existing visa or work permit restrictions. Luring and Selmer (2010:61) discuss a study that found that 54 percent of spouses were employed before the international assignment, emphasising the impact of international assignments on

dual-career couples. Spouses who give up their jobs tend to experience boredom, underload, and a loss of professional status, which negatively affects the expatriate's adjustment, ultimately leading to failure.

According to Harvey and Buckley (1998:101), the following are potential problem areas for enterprises assigning dual-career couples to overseas locations:

- Higher Refusal Rates to Relocate Internationally

Fischlmayr and Kollinger (2010:458), Harvey and Buckley (1998:101), Harvey and Wiese (1998b:34), and Selmer and Leung (2003:9) state that a candidate whose spouse has a career is less likely to accept an international assignment due to family concerns, the spouse's career, and/or the need for two incomes.

- Extended Adjustment Cycle for Dual-career Couples and their Families

Because the lives of dual-career couples are disrupted more than those of single expatriates, and they undergo more severe changes when relocating, the adjustment process in the foreign country proves to be more difficult and stressful (Andreason, 2008:299; Cole, 2012:313; Fischlmayr & Kollinger, 2010:458; Harvey & Buckley, 1998:101; Selmer & Leung, 2003:9).

- Disruption and/or Discontinuance of Income

Although expatriates receive various benefits and allowances, the family's total income is often reduced when visa restrictions and work permits prevent trailing spouses from continuing with their careers in the host country. This may have a significant influence on the family's lifestyle, downgrading their living standards and causing additional stress for expatriates (Fischlmayr & Kollinger, 2010:458; Harvey & Buckley, 1998:101; Konopaske *et al.*, 2005:407; Luring & Selmer, 2010:61; Moore, 2002:65; Selmer & Leung, 2003:11).

- Discontinuation of Trailing Spouse's Career

Harvey and Buckley (1998:101) and Selmer and Leung (2003:11) state that spouses who are psychologically committed to their work experience career-separation stress. The disruption in their career causes anxiety for the trailing spouses, which is heightened in cases where they are unable to find employment in the host country. Andreason (2008:389) and Selmer and Leung (2003:11) mention that spouses who give up their careers may become lonely and

despaired, as they set up home alone in the foreign country after having to give up their own careers.

- **Heightened Dysfunctional Family Consequences**

Copeland and Norell (2002:257), Harvey and Buckley (1998:101), Lazarova *et al.* (2010:93), Mohr and Klein (2004:1193), and Van der Zee *et al.* (2005:242) explain that the roles and obligations of family members may alter significantly during an international assignment. Changing a family's configuration will probably bring about additional stress for the expatriate and the spouse. Shaffer *et al.* (2001:101) discuss the fact that trailing spouses are given increased domestic responsibilities, which results in their feeling overwhelmed and neglected, which inhibits their adjustment.

- **Repatriation Issues associated with the Trailing Spouse**

During the repatriation process, trailing spouses experience tremendous stress and tension as they attempt to restart their careers in the home country while simultaneously re-establishing the family in the domestic environment. Many spouses feel they require financial support from the enterprise when returning to the home country while they re-establish their careers (Harvey & Buckley, 1998:102; Mäkelä Känvälä & Suutari, 2011:185; Selmer & Leung, 2003:13).

### **3.2.2. Male Trailing Spouses**

Caligiuri *et al.* (1999:166) and Harris (2004:826) mention that male trailing spouses usually feel isolated when in a foreign country and face numerous socio-cultural barriers, as they are often the only male in a group of female trailing spouses. Male spouses are often left out of the informal 'wives' network', which provides social support and communicates valuable information regarding the host environment (Moore, 2002:65; Selmer & Leung, 2003:11). According to Moore (2002:66), 70 percent of female spouses feel included in the socialising that occurs between themselves and other expatriates, while only 39 percent of male spouses feel at ease in such situations. Male spouses therefore tend to feel more isolated in the host country, as they have to deal with numerous social stigmas attached to males who give up their careers for their wives.

As men are believed to be more naturally suited for labour outside of the home, Harvey and Buckley (1998:114) and Selmer and Leung (2003:11) state that male trailing spouses will



require different social support programmes from female spouses, as they may not be comfortable socialising only with expatriate wives. A study by Selmer and Leung (2003:18) found that male trailing spouses required more support in terms of counselling, creation of a work position, and financial support, as these areas contribute to the spouse's self-worth and future career development. Although male trailing spouses also require support in the form of financial benefits, job positions or further education expenses, Punnett (1997:248) stresses the need for emotional support for male trailing spouses, as they are often rejected by the locals and feel less worthy if they are unable to contribute to the family financially.

Fischlmayr and Kollinger (2010:458), Harris (2004:826) and Selmer and Leung (2003:11-12) state that the productivity of male trailing spouses may be limited, as they may have a hard time finding work or appropriate volunteer activities, which female spouses often become involved in. Further issues with obtaining visas or work permits may force male trailing spouses to give up their careers and accept a more non-traditional role as homemaker, especially since female expatriates have been known to adjust more easily if there is adequate support at home. Male spouses also have to cope with additional obstacles that result from gender-role theories and foreign countries' societal norms that see men as the primary 'bread-winners' of the family, while those who do not work are seen as atypical or unacceptable (Fischlmayr & Kollinger, 2010:458; Harris, 2004:826; Lyness & Judiesch, 2008:790; Punnett, 1997:248; Selmer & Leung, 2003:11-12).

According to Tzeng (2006:390), male spouses are likely to accompany their wives when they have low career ambitions, work in mobile professions, or are willing to interrupt their careers in return for opportunities to live abroad. However, most men are unwilling to relocate to the host country to support their wife's international assignment. Male spouses may feel less worthy, frustrated and insecure if they are not contributing financially to their families. Societal pressure may 'force' male spouses to work regardless of their wives' employment status. Male trailing spouses are then more likely to be concerned about continuing with their careers in the host country than women trailing spouses, in order to fit in with society norms. These issues become severe stressors for a female expatriate and her family, inhibiting the expatriate's work performance and negatively affecting her adjustment (Caligiuri *et al.*, 1999:166; Fischlmayr & Kollinger, 2010:458; Harris, 2004:826; Punnett, 1997:248; Selmer & Leung, 2003:11).

### 3.2.3. Work-Family Conflict

With home and work domains constantly influencing one another, many authors emphasise the importance of work-life balance in expatriation (Brown, 2008:1019; Deen, 2011:11; Fischlmayr & Kollinger, 2010:455; Mäkelä, Suutari & Mayerhofer, 2011:256; Shortland & Cummins, 2007:39).

Work-life balance (WLB) can be defined as the manner in which a person balances work and personal life, or one's satisfaction at work as well as at home, with minimal role conflict between the two domains. The WLB of expatriates is important, because the nature of international assignments, the various foreign locations, the inevitable immersion in the foreign culture, and the cultural and physical distance from the home country often have negative effects on international assignees (Fischlmayr & Kollinger, 2010:458; Lyness & Judiesch, 2008:789; Mäkelä, Suutari & Mayerhofer, 2011:257-258; Shortland & Cummins, 2007:28). WLB is consistent with Family Systems theory, which maintains that there is equilibrium between the family members, with each member being able to affect the psychological state of the others. Stress experienced by the expatriate in the host country due to gender-role issues, high work demands, dual-career issues, and an unfamiliar environment may affect other family members and upset the family equilibrium, resulting in work-family conflict (WFC) (Caligiuri, Hyland, Joshi & Bross, 1998:599; Fischlmayr & Kollinger, 2010:455; Minuchin, in Harris, 2004:823; Mohr & Klein, 2004:1198; Shortland & Cummins, 2007:35).

WFC occurs when responsibilities from both domains compete for limited time and resources. According to this theory, the demands or tension involved in one role (e.g. work) are often so time consuming that it becomes difficult to meet the demands of the other role (e.g. family), resulting in WFC (Fischlmayr & Kollinger, 2010:456; Lyness & Judiesch, 2008:790; Mäkelä, Suutari & Mayerhofer, 2011:258; Shaffer *et al.*, 2001:103; Shortland & Cummins, 2007:35; Van der Zee *et al.*, 2005:240).

Shaffer *et al.* (2001:104), Shortland and Cummins (2007:35), and Van der Zee *et al.* (2005:240-243) found that expatriates who struggle to balance work and family often intend to withdraw from their international assignments. WFC has also been found to have a negative effect on the family's well-being, and has been linked to increased health risks, poor parenting, decreased work productivity, marital dissatisfaction, reduced life expectancy and life satisfaction, absenteeism, turnover and low morale. Perceived social support from the

enterprise has been found to reduce the interference between work and home roles (Harvey & Wiese, 1998b:36; Shortland & Cummins, 2007:35; Van der Zee *et al.*, 2005:241).

### 3.2.4. Crossover Theory

According to Crossover Theory, spousal and family cross-cultural adjustment can have a positive or negative effect on the expatriate's adjustment. The stress and strain experienced by the spouse at home leads to stress and strain experienced by the expatriate in the workplace, and vice versa. Expatriate families have been found to play an active role in an expatriate's behaviour and decision on whether or not to accept an international assignment and whether or not to leave early (Andreason, 2008:390; Harvey & Wiese, 1998b:34; Lazarova *et al.*, 2010:96; Richardson, 2006:474; Van der Zee *et al.*, 2005:244; Westman, 2001:718).

The stress associated with the trailing spouse's job search and the potential for unemployment may cross over into the expatriate's work domain and have an effect on their performance (Harvey & Wiese, 1998b:34). Selmer and Leung (2003:11) mention that approximately 20 to 25 percent of trailing spouses never find employment in the host country due to difficulties with work permits, visa restrictions, language barriers, a lack of suitable positions, or unrecognised qualifications. When trailing spouses give up their careers they become lonely and frustrated, and often experience a loss of power, self-worth, and identity, which increases stress in the family. This has a cross-over effect and may affect the expatriate's decision to return home early, as spousal dissatisfaction transfers into the work domain and affects expatriate job performance and adjustment (Harvey & Wiese, 1998b:34; McNulty, 2012:421; Selmer & Leung, 2003:11; Van der Zee *et al.*, 2005:245).

In a study by Handler *et al.* (1997:73), 97.3 percent of respondents agreed that expatriate success or failure is directly related to the happiness of the trailing spouse. Numerous studies emphasise the importance of the spouse's support of the expatriate and the assignment, and their adjustment to and satisfaction in the host country (Caligiuri *et al.*, 1999:166; Cole, 2012:309; Konopaske *et al.*, 2005:407; Long, 2010:75; Wang *et al.*, 2011:74). According to Gupta *et al.* (2012b:26) and Vögel *et al.* (2008:38), expatriates who are accompanied by their spouses and families require special support and training from their enterprise. For this reason studies by Gupta *et al.* (2012b:26) and Vogel and Van Vuuren (2008:80) emphasise the importance of spousal preparation, training and support before and during an international

assignment. These enterprise initiatives should aid them in overcoming the various issues they are likely to face in the unfamiliar host environment.

### 3.3. PREPARATION REQUIREMENTS

Kupka *et al.* (2008:1774) found that the majority of trailing spouses were rarely prepared for the foreign environment they were to encounter, and ended up 'home alone' in the host country. Trailing spouses are required to give up their careers as well as the structure and continuity in their lives, especially when they relocate to a host country that is culturally distant from their own. Trailing spouses are rarely employed during the assignment, are faced with new tasks and expectations, and become more involved in everyday activities. Enterprise assistance in providing accurate information about the living conditions in the host country is therefore vital to minimise the chance of expatriate failure (Black & Gregersen, 1991a:466; Fish & Wood, 1997:447; Haslberger & Brewster, 2008:334; Kupka *et al.*, 2008:1771; Miser, 2010:1; Mohr & Klein, 2004:1193).

Simeon and Fujiu (2000:596) state that adequate pre-departure preparation has proved to aid in the spouse's cross-cultural adjustment. The more prepared expatriates' spouses are on their arrival in the host country, the more quickly they will settle into the host environment and the more likely they are to adjust to the foreign lifestyle. Enterprises should conduct information sessions for trailing spouses which cover the host-country's history, politics, economy, customs and festivities, to enable them to understand what it means to live in the country, and to foresee potential issues that may arise. This knowledge of the foreign culture should enhance the spouse's cross-cultural adjustment (Fish & Wood, 1997:455; Miser, 2010:4; Punnett, 1997:247; Simeon & Fujiu, 2000:597; Yu *et al.*, 2005:191).

Simeon and Fujiu (2000:598) found that most spouses' primary concerns when relocating included housing, schooling, eating habits and their family's safety in the host country. Spousal preparation should then go beyond the basic cultural differences between the home and host countries and address concerns specific to each individual. Davidson and Kinzel (1996:112), Miser (2010:4), and Punnett (1997:251) recommend that enterprises individualise preparation according to the specific needs of each family in terms of their personal knowledge, skills and abilities, the host country's location and characteristics, and the nature of the assignment. Fish and Wood (1997:463) and Miser (2010:4) suggest that enterprises develop preparation programmes that cover potential changes to the spouse's

quality of life or family role changes, and social behaviours of HCNs, as well as a basic awareness of the enterprise.

Ashamalla (1998:58), Black and Gregersen (1991a:469), Punnett (1997:251), and Sharma (2012:15) recommend that enterprises organise orientation visits to the host country for potential expatriates and their spouses before their final departure. These pre-assignment visits allow the couple to familiarise themselves with the local culture and customs, learn appropriate behaviour from HCNs, and set realistic expectations about the assignment and the foreign environment. During these visits the expatriate family will also be able to come to terms with the potential culture shock they will probably face on their arrival. Enterprises should familiarise expatriate families with the day-to-day living conditions of the host country, and ‘what to do and what not to do’ (Davidson & Kinzel, 1996:112; Fish & Wood, 1997:448; Punnett, 1997:247). Orientation visits provide expatriates and their spouses with first-hand information regarding the foreign country and culture, reducing spousal uncertainties and facilitating their adjustment during the assignment (Ashamalla, 1998:58; Black & Gregersen, 1991a:464; Fish & Wood, 1997:448; Ghafoor *et al.*, 2011:338; Rosenbusch & Cseh, 2012:63; Sharma, 2012:15; Sims & Schraeder, 2004:76).

On the other hand, these orientation visits may just become tourist visits or holidays for trailing spouses, who return with an unrealistic perception of the host country’s culture and customs. These misperceptions usually result in severe culture shock when the spouses arrive in the foreign country, and realise that the lifestyle they were exposed to during the orientation visit does not reflect reality. Enterprises should therefore avoid sending expatriate families on sight-seeing tours, but rather allow them to experience the host country long enough for them to return home with a realistic view of the country’s culture and customs, housing and schooling options, entertainment, and job opportunities (Harvey & Wiese, 1998:368; Punnett, 1997:251; Sims & Schraeder, 2004:76). If trailing spouses have knowledge of the foreign country before their final departure, they will experience less stress and anxiety regarding the expatriate assignment (Simeon & Fujiu, 2000:596).

In a study by Vögel and Van Vuuren (2008:85), 98 percent of expatriates on assignment for a period of less than four years, and 80 percent of those on longer assignments, agreed that enterprises should organise orientation visits to the host country for expatriates and their spouses prior to their departure. Despite this support for pre-departure orientation visits, Stahl (in Kupka *et al.*, 2008:1770) found that only 30 percent of spouses were granted such visits,

while none of the spouses included in the study received orientation briefings prior to their departure.

### 3.4. TRAINING REQUIREMENTS

Brown (2008:1022), Cherry (2010:133), Kim and Tung (2013:1035), Purgal-Popiela (2011:39), and Wilson (2011:72-73) explain that trailing spouses are faced with various uncertainties in the host environment. Such uncertainties arise due to language barriers and cultural differences, as well as other challenges that stem from daily interaction with host nationals. While the expatriates spend the majority of their time at work, the spouses tend to be more immersed in the local culture and struggle to adjust, becoming stressed, confused and overwhelmed by their lack of knowledge and understanding of the foreign country and its culture (Andreason, 2008:387; Caligiuri *et al.*, 2009:257; Ghafoor *et al.*, 2011:337; Gupta *et al.*, 2012a:3560; Van Erp *et al.*, 2011a:75).

According to Shortland and Cummins (2007:40), training is essential for the adjustment of trailing spouses, as it reduces culture shock, potential WFC, and the stress associated with relocating to a foreign environment. Dewald and Self (2008:356), Lund and Degen (2010:70), and Kim and Tung (2013:1034) suggest that enterprises provide training for expatriates and their families to familiarise them with host-country practices and to avoid them developing unrealistic expectations about the foreign environment. Fish and Wood (1997:463) state that training eases spousal adjustment in the foreign country, as it usually includes a comprehensive study on the lifestyle of HCNs, the establishment of communication networks, and business involvement, either through a position within the enterprise, or indirect involvement in the international assignment.

Caligiuri *et al.* (1999:176) are of the opinion that MNEs should dedicate sufficient resources to the training of trailing spouses, as spousal support of the international assignment has a significant effect on the cross-cultural adjustment of expatriates. Punnett (1997:245) and Shen and Darby (2006:349) advise enterprises to include trailing spouses in pre-departure and in-country language and cross-cultural training programmes. This is because the spouse's inability to adapt to the new physical and cultural environment is a primary cause of expatriate failure, as it negatively affects the expatriate's adjustment and their intention to stay in the host country (Fischlmayr & Kollinger, 2010:455; Harvey, 1995:226; Jenkins & Mockaitis, 2010:2694; Malek & Budhwar, 2012:222; Mansour & Wood, 2010:388; Peltokorpi & Froese, 2012:739; Rosenbusch & Cseh, 2012:63).

More than half of the German spouses in a study by Kupka *et al.* (2008:1781) indicated that training provided by the enterprise was helpful for their relocation (either to Asia, North America or Western Europe), with just over half of these spouses having received training in the host-country's language. All of the spouses who accompanied expatriates to Western Europe found their intercultural training to be useful for adjustment, compared with 73 percent of spouses on assignment in North America, and 43 percent in Asia. The majority of enterprises included in a study by Shen and Darby (2006:357) failed to provide adequate training for spouses – even though they realised its significance with regard to expatriate performance. Moore (2002:66) mentions that almost three-quarters of spouses require cross-cultural and language training, whereas only a third actually receive such training.

Trailing spouses' need for training is emphasised throughout expatriate literature in order to eliminate uncertainty and reduce the chance of premature return. If spouses have received relevant training they will be more confident on their arrival in the host country and should adjust more easily to the culture and customs (Cho *et al.*, 2013:1053; Fischlmayr & Kollinger, 2010:471; Gupta *et al.*, 2012b:18; Jenkins & Mockaitis, 2010:2696; Konopaske & Werner, 2005:1161; Mohr & Klein, 2004:1197; Smart, 2011:64; Vögel & Van Vuuren, 2008:85).

### **3.4.1. Language Training**

Davidson and Kinzel (1996:113), Fish and Wood (1997:446), Mohr and Klein (2004:1194), and Yu *et al.* (2005:190) also point out that trailing spouses are more exposed to differences in everyday life than the expatriates, who spend most of their time at the office. These spouses usually become frustrated and anxious, and experience severe culture shock when they are unable to effectively communicate with host nationals. Andreason (2008:388), Fish and Wood (1997:456), Kupka *et al.* (2008:1766), Mäkelä, Käsälä and Suutari (2011:190), and Rosenbusch and Cseh (2012:73) recommend that spouses receive intercultural communication training to prepare them for more effective interpersonal interaction with HCNs. Basic training in the host language, before departure and during the assignment, will allow spouses to understand the culture, increase their confidence in interacting with host nationals, and aid in their adjustment (Cherry, 2010:140; Lund & Degen, 2010:70; Okpara & Kabongo, 2011:29; Yu *et al.*, 2005:190).

However, a study by Stahl (in Kupka *et al.*, 2008:1770) revealed that as few as 10 percent of trailing spouses were given foreign language training, while Davidson and Kinzel (1996:109)

found that only 45 percent of families were provided with language training. Studies by Mansour and Wood (2010:387) and Mohr and Klein (2004:1195) found that spouses in general did not receive language training prior to or during the assignment.

A host-country language that is different from that of the home country will have a greater impact on the trailing spouse than on the expatriate, as spouses have to interact on a daily basis with locals who are often unaccustomed to dealing with foreigners (Andreason, 2008:386; Ashamalla, 1998:59; Cole, 2012:313; Tung, 1982:65; Wilson, 2011:9). Gupta *et al.* (2012b:21) found that English-speaking trailing spouses were more at ease when assignments were based in countries with English as their official language. In non-English speaking countries, an inability to understand the local language may cause severe issues as spouses attempt to do their shopping, ask for directions or open accounts (Davidson & Kinzel, 1996:113; Shaffer & Harrison, 2001:238). An inability to speak the host country's language often leads to integration problems and hinders the spouse's ability to become comfortable in the foreign country, find employment, cope with everyday tasks, and to form friendships and create personal contacts with the locals (Ashamalla, 1998:59; Bikos, Çiftçi, Güneri, Demir, Sümer, Danielson, DeVries & Bilgen, 2007:52; Cherry, 2010:137; Mohr & Klein, 2004:1194; Sharma, 2012:16).

Kupka *et al.* (2008:1783), Mohr and Klein (2004:1194), and Shaffer and Harrison (2001:241) found that spouses who acquired a basic knowledge of the foreign language had a more positive experience in the host country, and seemed to adjust more easily than those who did not receive training or made no attempt to learn the language. Fluency in the host language demonstrates an interest in the local culture, whereas a lack thereof often leads to misinterpretations and confusion. Knowledge of the host language helps the expatriate's family cope with everyday tasks and find support from, and build social networks with, host nationals (Ashamalla, 1998:59; Rosenbusch & Cseh, 2012:73; Sharma, 2012:16).

### **3.4.2. Cross-Cultural Training**

According to Fish and Wood (1997:462), enterprises pay little attention to the cultural disorientation trailing spouses are likely to experience as they are left alone to adapt in a foreign country. This is despite the fact that the need for cross-cultural training for trailing spouses is emphasised throughout expatriate literature (Fischlmayr & Kollinger, 2010:471; Mohr & Klein, 2004:1197; Smart, 2011:64).



Trailing spouses who receive relevant cross-cultural training are aware of differences in the host country's culture and customs, and will have a mental idea of potential issues they may face on their arrival. This should increase their confidence in the assignment, eliminate uncertainty, and ease their adjustment in the local environment, reducing the chance of premature return (Jenkins & Mockaitis, 2010:2696; Mohr & Klein, 2004:1197; Smart, 2011:90). Whereas preparation provides spouses with a brief outline of the country's characteristics, cross-cultural training involves lectures, presentations and discussions with HCNs to broaden the individual's understanding of and sensitivity to the country and its culture (Tung, 1987:120).

Miser (2010:2) stresses the need for cross-cultural training for expatriate spouses prior to and during each stage of the expatriate cycle. MNEs are urged to conduct effective cross-cultural training programmes which compare cultural elements of the home and host countries and identify similarities and differences between the cultures. Such training programmes should focus on various historical, political, economic, religious, cultural, language and lifestyle differences, and also deal with issues spouses may encounter on a daily basis. This should improve their respect for and understanding of the foreign country, societal values and the actions of host nationals, and prevent them from behaving inappropriately, which will in turn improve their adjustment (Black & Gregersen, 1991a:465; Cho *et al.*, 2013:1053; Gupta *et al.*, 2012b:25; Konopaske & Werner, 2005:1161; Kupka *et al.*, 2008:1766; Mohr & Klein, 2004:1197; Shaffer & Harrison, 2001:244; Sims & Schraeder, 2004:76; Tung, 1987:120).

According to Harvey and Buckley (1998:110), the degree of cultural intolerance and beliefs in some host countries is so great that women are not permitted to travel unaccompanied, wear slacks or shorts, or drive a car, making it harder for female spouses to adjust in such countries. A study by Vögel and Van Vuuren (2008:85) determined that spouses should receive further cross-cultural training focusing on the subjective characteristics of the host country's culture, which include the country's customs, values and beliefs.

In a study by Black and Gregersen (1991a:473), 10 percent of trailing spouses received pre-departure cultural training, compared with 25 percent of expatriates, and those spouses that were included received only basic briefings regarding the host environment. Davidson and Kinzel (1996:109) found that 50 percent of expatriate families were given cross-cultural training, whereas a study by Stahl (in Kupka *et al.*, 2008:1770) revealed that only seven percent of spouses were included in cross-cultural training initiatives by the expatriate's

enterprise. Caligiuri *et al.* (1999:176) found that spouses who received cross-cultural training (along with the expatriates) found that it benefited them during the adjustment process. Numerous authors (Andreason, 2008:388; Harvey & Wiese, 1998:366; Mäkelä, Känvälä & Suutari, 2011:190; Mohr & Klein, 2004:1195; Shaffer & Harrison, 2001:244) advise enterprises to provide pre-departure and in-country cross-cultural training to trailing spouses, as the greater the cultural differences between the home and host countries, the more difficult it will be for accompanying spouses to adjust, ultimately leading to expatriate failure.

### **3.5. SUPPORT REQUIREMENTS**

Support systems in the host country have been proved to help trailing spouses through tough times and to monitor their progress, aiding in their adjustment into the new country (Copeland & Norell, 2002:255-256; Crowne & Goeke, 2012:10; Harvey & Wiese, 1998b:38; Punnett, 1997:247; Rosenbusch & Cseh, 2012:64).

In a study by Moore (2002:66) only 12 percent of spouses, 8 percent of expatriates and 14 percent of HR executives felt that their enterprise's programmes provided adequate support for expatriate spouses and their families. Harris (1993:11) mentions that very few enterprises have formal policies in place that relate to dual-career couples and the struggles they face in terms of spousal employment in the host country. Briscoe *et al.* (2009:183) discuss the results of a survey by Runzheimer International and ORC. This study revealed that almost 50 percent of enterprises offer some form of support for the expatriate's spouse; 87 percent of these provide assistance only when necessary, and only 13 percent have formal policies regarding trailing spouses. This is supported by McNulty (2012:421), whose study found that only 13 percent of enterprises are interested in improving their expatriates' spouse-assistance programmes.

Spouses require support during the international assignment in the form of social support networks with other spouses and HCNs, employment assistance, and mentorship programmes in order to enhance their adjustment process and reduce the chance of expatriate failure (Andreason, 2008:389; Black & Gregersen, 1991a:466; Copeland & Norell, 2002:258; Gupta *et al.*, 2012b:18; Harvey & Wiese, 1998b:33; Moore, 2002:63; Punnett, 1997:245)

#### **3.5.1. Support Networks**

According to Copeland and Norell (2002:255-256), Crowne and Goeke (2012:10), Harvey and Wiese (1998b:38), Long, (2010:242), and Rosenbusch and Cseh (2012:64), social

support acts as a buffer between stress and adjustment, by reducing stress levels, aiding trailing spouses (especially women) in coping with change and uncertainty, and improving their physical and emotional well-being. On the other hand, a lack of social support increases spouses' feelings of isolation, lowers their self-esteem and results in their feeling lonely and frustrated. This lack of support has been found to cause conflict within the family and inhibit spousal adjustment and expatriate productivity (Andreason, 2008:389; Crowne & Goeke, 2012:10; Harvey, 1997:630; Harvey & Wiese, 1998b:34; Kupka & Cathro, 2007:952; Mäkelä, Känslä & Suutari, 2011:190; Shaffer *et al.*, 2001:100; Smart, 2011:31).

Support from the spouse's friends and family in the home country has been found to ease their anxiety, reduce work-related stress, and to aid in spousal cross-cultural adjustment. Staying connected with friends, family and events in the home country has proved to reduce spousal stress and depression, brought on by their perceived isolation (Crowne & Goeke, 2012:10; Long, 2010:242; Rosenbusch & Cseh, 2012:64; Van der Zee *et al.*, 2005:243). However, a study by Andreason (2008:389) found evidence that in some cases, support from extended family members may actually inhibit adjustment, as trailing spouses who exert more effort in maintaining relationships with their extended family are less likely to focus on forming relationships with host nationals.

International assignments have been proved to disrupt established social networks in the spouse's home country (Copeland & Norell, 2002:255-256). Andreason (2008:389-390), Gupta *et al.* (2012b:18), Luring and Selmer (2010:63), and Shaffer and Harrison (2001:243) found that trailing spouses place high value on peer support, which includes social networks and family structure. Although spouses struggle with leaving their existing networks and family behind, and many are apprehensive about adjusting to the host country, spouses are often curious and excited to meet new people and interact with others from a foreign culture. It has been found that the stronger the spouses' social network in the foreign country, the more easily they are able to adjust to the local environment.

Trailing spouses are often forced to form a new identity when an expatriate is assigned overseas. A spouse's social identity stems from his or her membership of particular groups during the assignment, and is sustained by a network of interpersonal relationships with host nationals or other trailing spouses. These networks may include international expatriate organisations, communities within the expatriate compound or weekly coffee clubs (Andreason, 2008:389; Gupta *et al.*, 2012b:1; Luring & Selmer, 2010:61; Rosenbusch &

Cseh, 2012:63, Shaffer & Harrison, 2001:243). The more culturally different the host culture is from the home country, the more spouses rely on the local expatriate community for support and advice (Kupka & Cathro, 2007:959). Copeland and Norell (2002:260), Fischlmayr and Kollinger (2010:472), Long (2010:178), and Wilson (2011:18) found that private or official networks allowed spouses to get positive feedback and advice, form friendships, and share experiences with like-minded people. Enterprises may establish online social networks (such as expatriate groups on Facebook or LinkedIn) where spouses may interact with, and get advice from, host nationals and other trailing spouses, as well as keep in contact with family and friends back home (Crowne & Goeke, 2012:11).

During pre-departure cross-cultural training, expatriates and their spouses may be introduced to repatriated managers and their families, or host-country nationals who are able to share their experiences and provide information on the host country. This may further reduce uncertainty and enable the family to form accurate expectations of the host country (Harvey & Wiese, 1998b:37). When re-entering the home country after the assignment, trailing spouses often experience reverse culture shock; enterprises should provide support groups made up of repatriated expatriates and their spouses (Punnett, 1997:252). Support networks from other expatriate spouses have been known to aid spouses with, and provide valuable information with regard to, schooling, housing and transportation arrangements. Friendships with spouses in similar positions as themselves also alleviate spousal feelings of boredom and redundancy (Copeland & Norell, 2002:267; Punnett, 1997:252).

HCNs are able to facilitate the adjustment process of trailing spouses by providing support and help in coping with local bureaucracy, and familiarising spouses with the norms and values of the host country (Black & Gregersen, 1991a:466; Copeland & Norell, 2002:258; Yu *et al.*, 2005:190). According to Copeland and Norell (2002:259), Mohr and Klein (2004:1197), Shaffer and Harrison (2001:244), and Smart (2011:31-32), accompanying spouses who form personal relationships with host nationals gain a deeper understanding of the local culture and customs, and receive feedback regarding appropriate behaviour, which eases their adjustment.

### **3.5.2. Employment Assistance**

Recent trends indicate that the number of dual-career couples sent on international assignments is growing significantly. Enterprise support for these families before, during, and after an assignment is necessary to help minimise their uncertainty and stress (Harvey,

1995:224; Konopaske *et al.*, 2005:408, Mäkelä, Käsälä & Suutari, 2011:188; Wilson, 2011:76). Job and career issues, as well as the absence of career support from the enterprise, create unwanted pressure and stress for trailing spouses (Konopaske *et al.*, 2005:407). Expatriates often turn down international assignments due to the adverse effect the assignment will probably have on their spouse's career, or because spouses may refuse to accompany them as they are committed to their own careers in the home country (Brown, 2008:1019; Cho *et al.*, 2013:1053; Fischlmayr & Kollinger, 2010:458; Harris, 1993:12; Harvey, 1998:309; Konopaske *et al.*, 2005:412; Konopaske & Werner, 2005:1171; Mäkelä, Käsälä & Suutari, 2011:188; Punnett, 1997:244).

Moore (2002:63) mentions that 73 percent of dual-career couples considered spousal employment opportunities a major factor when deciding whether or not to accept an assignment. However, only a quarter of spouses report having received career assistance from the enterprise, while more than half would like this support. The same study found that only 13 percent of those spouses who were employed during the assignment were assisted by the enterprise; 24 percent were assisted by their home-country employers; while 44 percent found positions themselves by relying on personal networks and contacts. Harvey (1995:234) states that only 8 percent of enterprises provide trailing spouses with employment opportunities within the enterprise, 35 percent assist the trailing spouse with finding other employment, and 29 percent assist with obtaining the necessary work permits. Kupka and Cathro (2007:960) found that only 10 percent of trailing spouses who were employed in the host country were assisted by the enterprise in their job search, while 85.7 percent of spouses struggled to obtain work by themselves. These statistics support Davidson and Kinzel (1996:109), whose study revealed that assisting trailing spouses with employment in the host country was of little concern to enterprises.

Moore (2002:63) and Punnett (1997:245) advise enterprises to provide meaningful career support to spouses, address adjustment and loneliness issues, and facilitate re-entry for spouses into the home country. A lack of meaningful work tends to put pressure on the trailing spouse, which crosses over to the expatriate, affecting his or her work performance. Spouses who give up their jobs to relocate become economically dependent on the expatriate, and as their role changes from an employee to a 'housewife', they may become annoyed and frustrated (Mohr & Klein, 2004:1193). Unemployed spouses ultimately experience boredom, underload, and a loss of professional status, self-esteem and self-worth, which hinders the expatriate's adjustment, leading to failure (Shaffer & Harrison, 2001:241; Wilson, 2011:38).

On the other hand, Andreason (2008:388) and Rosenbusch and Cseh (2012:63) discuss the fact that spouses who do not experience a change in their employment status tend to adjust more easily on an international assignment than those who are required to give up their career or put their careers on hold.

Harvey and Buckley (1998:111) mention that governments may restrict the employment of trailing spouses to reduce the influx of workers to the host country. While employment may be feasible, it can take up to 18 months to obtain a visa or work permit. MNEs should therefore assist trailing spouses with obtaining the necessary documentation for work in the foreign country. Enterprises may also aid spouses by: paying further-education expenses or for 'refresher' classes; helping with career planning; providing a position within the enterprise or recommendations; reimbursing them for their career loss, or providing employment alternatives such as community work or spending more time with their children (Konopaske *et al.*, 2005:412; Mäkelä, Känslä & Suutari, 2011:188; Moore, 2002:65; Punnett, 1997:247; Vögel & Van Vuuren, 2008:85; Wilson, 2011:67; Yu *et al.*, 2005:192).

### **3.5.3. Mentoring Programmes**

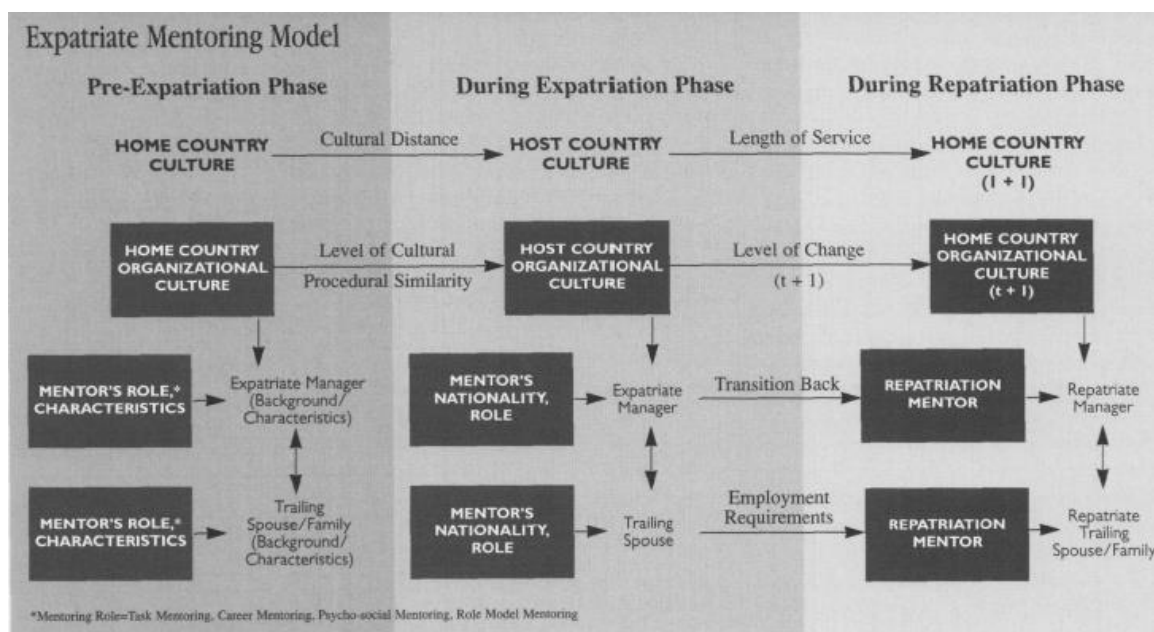
Harvey, Buckley, Novicevic and Wiese (1999:810), Harvey and Wiese (1998b:33), and Miser (2010:5) point out that mentoring programmes conducted before, during and after international assignments have been found to have a significantly positive effect on the spouse's adjustment. Mentoring can be defined as a one-on-one relationship between a mentor with advanced experience and knowledge of the host country and a protégé with little or no experience regarding the foreign environment (Carragher, Sullivan & Crocitto, 2008:1312; Feldman & Bolino, 1999:54; Harvey *et al.*, 1999:808; Harvey & Wiese, 1998b:34-35).

According to Harvey *et al.* (1999:808-809), Harvey and Wiese (1998b:34-37), Miser (2010:5), and Kupka *et al.* (2008:1771), mentors provide trailing spouses with counselling, support, and guidance by sharing valuable information about the enterprise and giving feedback regarding appropriate behaviour in the host country, which may improve spousal socialisation and adjustment. Mentoring relieves stress, depression and anxiety, and helps couples during the relocation process with problem solving and adjusting to the cultural norms and beliefs of the new country. Enterprises which provide spouses with access to mentors demonstrate a willingness to support the expatriate and their family while overseas.

A study by Davidson and Kinzel (1996:109) found that although enterprises provide spouses with relevant training, they do not appear to be concerned with counselling services or the family's adjustment to the community. Moore (2002:65) states that more than half of trailing spouses would like counselling; however, only 16 percent receive it. A majority of the respondents in a study by Selmer and Leung (2003:17) perceived enterprise support in the form of counselling to be 'less than sufficient'.

In order to facilitate the adjustment of expatriates and their spouses, Harvey and Wiese (1998b:39) recommend that mentors provide realistic relocation reviews prior to, during and after an international assignment, as set out in Figure 3.1 below.

**Figure 3.1 Global Expatriation Mentoring Model**



Source: Harvey and Wiese (1998b:40)

According to Harvey and Wiese (1998b:40), this mentoring process follows three phases:

### 1. Pre-Expatriation Phase

Prior to their departure the dual-career couple should receive a realistic preview of the foreign country and any potential issues related to the new culture that may arise during the assignment. During this phase, mentors may also help spouses with logistical matters associated with their relocation. Prior to expatriation, mentors should seek input from

repatriates and their spouses who have returned from an assignment in the same host country (Harvey *et al.*, 1999:811; Harvey & Wiese, 1998b:40; Miser, 2010:5).

## **2. During Expatriation**

During the international assignment, Carraher *et al.* (2008:1312), Feldman and Bolino (1999:54-55), Harvey *et al.* (1999:812) and Harvey and Wiese (1998b:41) recommend that trailing spouses have two mentors. While the mentor based at headquarters continues to provide information about the home office and country, a second host-country mentor facilitates the spouse's in-country adjustment. During this period, the host-country mentor should encourage the development of intercultural competences which will allow the spouse to make sense of the new environment and effectively relate to host nationals.

## **3. After Expatriation**

MacDonald and Arthur (2005:153) mention that 90 percent of trailing spouses do not receive repatriation support, even though their readjustment into the home country has a significant effect on the expatriate's success. Enterprises should assist spouses with counselling to aid in the adjustment process, and with support as they re-establish the careers they sacrificed for the assignment (MacDonald & Arthur, 2005:153; Moore, 2002:65).

In this phase, mentors aid in re-establishing the trailing spouse's career in the home country and accommodating the re-entry of the family. Enterprises may improve future repatriation processes through increased and continuous communication with mentors and repatriated families (Harvey *et al.*, 1999:812; Harvey & Wiese, 1998b:43).

## **3.6. CHAPTER SUMMARY**

Chapter three discussed in detail the theory behind expatriate trailing spouses, including the various issues they are faced with in the host country, and their requirements in terms of preparation, training and support. The adjustment of the trailing spouse is significantly related to the success of an international assignment, making enterprise assistance programmes essential.

This chapter began with an overview of the reasons why trailing spouses are the primary cause of expatriate failure, and then delved into the numerous issues they are faced with on their arrival in the host country and throughout the expatriate assignment.



The key issues faced by trailing spouses were then discussed in depth, with this section focusing on dual-career couples, male trailing spouses and work-family conflict. Dual-career couples struggle in the host environment, as the spouse attempts to find suitable and satisfying work for the duration of the assignment. Visa and permit restrictions, as well as cultural beliefs, may inhibit the spouse's ability to find a position within host-country enterprises. Due to such employment restrictions, expatriate candidates often turn down assignments to avoid the adverse effects such a move may have on their spouse's future career, or spouses may refuse to leave behind the security their current position provides them. The trailing spouse problem worsens when the spouse is male, as men have to cope with additional obstacles that result from gender-role theories and foreign countries' societal norms, which see men as the 'breadwinners' of the family.

The next issued covered in this section was WFC. Expatriates often struggle to balance work and family while overseas, and as a result may withdraw from the assignment prematurely. WFC manifests itself in the Crossover Theory, with the spouse's stress at home having a considerable effect on the expatriate's work performance, and vice versa. From these key issues, it is clear that the spouse's overseas experience may hamper the expatriate's adjustment and performance, resulting in expatriate failure.

Most of Chapter three focused on the preparation, training and support requirements of expatriate trailing spouses prior to, and during the international assignment. Orientation visits provide spouses with a realistic preview of the foreign environment and what life will be like for the duration of the assignment.

An in-depth discussion regarding spousal training requirements was then included, specifically centred on language and cross-cultural training initiatives. Intercultural language training will allow spouses to effectively communicate with host nationals, build social networks, understand the culture, and increase their confidence, all of which will ease their adjustment process. Cross-cultural training involves lectures, presentations and discussions with HCNs to broaden the individual's understanding of and sensitivity to the country, its people and its culture. This should prevent them from behaving inappropriately, eliminate their uncertainty and ease their adjustment, reducing the chances of expatriate failure.

Chapter three then went on to discuss the support requirements of trailing spouses in terms of social support networks, employment assistance and mentorship programmes. Private or official support networks allow spouses to get positive feedback and advice, keep in contact

with friends and family back home, form friendships, and share experiences with like-minded people.

As mentioned earlier, spouses struggle with finding suitable employment in the host country. Enterprise assistance may include the creation of a position within the enterprise, recommendations, identifying possible work opportunities, obtaining the necessary work permits or visas, or further education expenses. Spouses who are employed in the host country tend to adjust more easily than those who were required to put their careers on hold.

This chapter concluded with a brief discussion on the benefits of enterprise-initiated mentorship programmes. Mentors aid spouses in the adjustment process, by providing realistic previews of the host country prior to their departure and information on the home and host countries during the assignment, and aiding in the reestablishment of the spouse's career on their return.

The successful adjustment of an expatriate's spouse is significantly related to the success of an international assignment. The spouse should therefore be included in multinationals' preparation, training and support initiatives, in order to reduce the possibility of expatriate failure.

The primary focus of Chapter three was then expatriate trailing spouses, the issues they face in the host country, and the assistance they require from the MNE. Expatriate spouses are faced with various issues when they agree to accompany their partner on the assignment. An unhappy spouse has been found to be the most common cause of all forms of expatriate failure, proving enterprise assistance an essential component of a successful international assignment.

## CHAPTER 4

### RESEARCH METHODOLOGY

#### 4.1. INTRODUCTION

Research is the study of a subject in order to discover new information enabling enterprises to make effective managerial decisions (Dictionary.cambridge.org, [s.a.]); Cooper & Schindler, 2011:4). “Business research is the process of planning, acquiring, analysing, and disseminating relevant data, information and insights to decision makers in ways that mobilise the organisation to take appropriate actions that in turn maximise performance” (Cooper & Schindler, 2011:4).

The Longman Dictionary of Contemporary English [s.a.] defines methodology as the set of methods and principles used when studying a particular subject or when doing a particular kind of work.

According to Blumberg *et al.* (2008:57) and Cooper and Schindler (2011:87-90), the section of a study which describes the methodology used typically covers the following five steps in the research process:

- Sampling design
- Research design
- Data collection
- Data analysis
- Limitations

As the research design has already been discussed in Chapter 1, this chapter will cover the remaining four sections, as well as provide a brief discussion of the problem statement and research objectives of this study.

#### 4.2. PROBLEM STATEMENT AND OBJECTIVES

According to Blumberg *et al.* (2008:60) and Cooper and Schindler (2011:567), the problem statement explains the need for the research study. The problem is usually presented by a management question, which is then followed by a more detailed set of objectives.

#### 4.2.1. Problem Statement

Expatriate failure can be seen as either underperformance by the expatriate in the host country, the premature return of the expatriate, or repatriate failure on returning to the home country (Briscoe *et al.*, 2009:180; Harzing, 2004:274; Shen, 2005:657; Swarts & Du Plessis, 2007:48; Templer, 2010:1754).

According to Yeaton and Hall (2008:75), expatriate failure rates have been known to range between 25 and 70 percent. A study by Briscoe *et al.* (2009:182) mentions that US failure rates commonly range between 30 and 40 percent, while Hawley (in Swarts & Du Plessis, 2007:48), looking at South African expatriates, found that between 25 and 40 percent of those assigned to a host country return home early.

On average, a failed assignment can cost an enterprise two and a half times the expatriate's annual domestic salary including the cost of relocation to their home country (Anderson, 2005:572). A number of studies (Briscoe *et al.*, 2009:182; Carpenter *et al.*, 2007:[5]; Graf & Harland, 2005:46; Yeaton & Hall, 2008:75) have found that enterprises can incur up to US\$1.2 million in losses as a result of failed assignments, while Van Aswegen (2008:45) states that expatriate failures amongst executive positions in South African MNEs can cost an enterprise an estimated R1 million per year.

Hill (2011:611), Mohr and Klein (2004:1190), and Rosenbusch and Cseh (2012:61) state that expatriates rarely fail due to technical incompetence, but rather because of family and personal issues, concerns regarding the spouse's career, or a lack of intercultural skills that were not addressed by the enterprise during the selection process. Van Heerden and Wentzel (in Van Aswegen, 2008:54) indicate that 62 percent of failed assignments are due to personal reasons (spouse, family and adjustment), emphasising the role of family in the adjustment process.

Ali, Van der Zee and Sanders (2003:564), as well as Wu and Ang (2011:2690) state that approximately 80 percent of expatriates take their spouses with them on assignment, while Van Erp *et al.* (2011a:58) found that 90 percent of all expatriates are accompanied by their partners. Expatriate families confront numerous obstacles in the host country, including, but not limited to, culture shock, isolation, homesickness, healthcare systems, housing, schooling, cuisine, language and gender roles, as well as the higher cost of living (Andreason, 2008:386; Briscoe *et al.*, 2009:185; Mendenhall *et al.*, 1987:331). These obstacles tend to create greater

stress for trailing spouses than for the expatriate (Andreason, 2008:387; Caligiuri *et al.*, 2009:257; Gupta *et al.*, 2012a:3560; Harvey & Moeller, 2009:280; Van Erp *et al.*, 2011a:75). The spouses tend to be less sheltered from the foreign environment and more exposed to the local culture, yet they are typically excluded from selection and training processes and receive less in-country support from the multinational enterprise (Andreason, 2008:382-387; Tung, 1982:65; Wilson, 2011:9). The spouse often struggles to adjust overseas and while the expatriate has a sense of belonging at the office, the spouse is left feeling alienated without the social support network that was present in their home country.

A survey in 2005 by GMAC and NFTC (quoted by Brown, 2008:1019) showed that 47 percent of candidates withdraw themselves from consideration during a multinational's selection process due to 'family concerns'. This survey is supported by Shell and Solomon (in Els, 2007:23), who indicate that 48 percent of reasons for turning down an international assignment are spouse related.

International assignments play a strategic role in the success of any business venture and have become an integral part of multinationals' business strategies (Riusala & Suutari, 2004:745; Van Aswegen, 2008:2). The inability or unwillingness of the spouse to adjust in the host environment has been determined to be the primary cause of expatriate failure (Andreason, 2008:382; Brown, 2008:1019; Deen, 2011:11; Shen, 2005:658; Swarts & Du Plessis, 2007:47; Tung, 1981:76).

According to Mäkelä, Käsälä and Suutari (2011:186), Miser (2010:1), and Van Erp *et al.* (2011b:539), successful expatriate assignments are highly dependent on the spouse's ability to adjust in the host country. Spouses should therefore be included in enterprise-provided preparation and training programmes in order to reduce the possibility of expatriate failure. As a result, this study focused in the following research question:

*What are the preparation, training and support requirements of trailing spouses prior to, and during an international assignment?*

#### **4.2.2. Research Objectives**

The research question is broken down further into investigative questions which are restated as hypotheses in order to explain what exactly was planned by the research (Cooper & Schindler, 2011:654).

A hypothesis specifies *who* will be studied, in what *context* they will be studied, and *what* in particular will be studied (Blumberg *et al.*, 2008:43). According to Blumberg *et al.* (2008:43), hypotheses serve several important functions:

- They guide the direction of the study.
- They identify those facts that are relevant and those that are not.
- They suggest which form of research design is likely to be most appropriate.
- They provide a framework for organising the conclusions.

The objective of this research is to determine the preparation, training and support requirements of expatriate trailing spouses, in order to improve their adjustment in the host country. As emphasised in previous chapters, unhappy spouses tend to negatively affect the expatriate's work performance, thereby increasing the chance of a failed assignment (Andreason, 2008:390; Moeller, 2009:280; Haslberger & Brewster, 2008:326).

The following hypotheses were tested in this study:

- H<sub>10</sub>:** There is no difference between the preparation required by trailing spouses and the preparation received from the enterprise prior to the assignment.
- H<sub>1A</sub>:** There is a difference between the preparation required by trailing spouses and the preparation received from the enterprise prior to the assignment.
- H<sub>20</sub>:** There is no difference between the training required by trailing spouses and the training received from the enterprise prior to the assignment.
- H<sub>2A</sub>:** There is a difference between the training required by trailing spouses and the training received from the enterprise prior to the assignment.
- H<sub>30</sub>:** There is no difference between the support required by trailing spouses and the support received from the enterprise during the assignment.
- H<sub>3A</sub>:** There is a difference between the support required by trailing spouses and the support received from the enterprise during the assignment.

### **4.3. SAMPLING DESIGN**

Sampling can be defined as the process by which researchers select some of the elements in a population (creating a sample) to draw conclusions regarding the entire population. A population is a set of elements about which researchers seek to make deductions, whereas a sample is carefully selected to represent the population. There are several reasons for sampling, including lower costs and greater speed of data collection (Blumberg *et al.*, 2008:69; Bryman & Bell, 2011:170; Cooper & Schindler, 2011: 365-366; Jackson, 2003:58-59).

#### **4.3.1. Target Population**

According to Cooper and Schindler (2011:370), the first question to be answered when securing a sample is “What is the target population?” The target population consists of those elements about which a researcher wishes to make deductions during the study (Blumberg *et al.*, 2008:237; Bryman & Bell, 2011:170; Cooper & Schindler, 2011:370).

The population for this study consisted of spouses of any nationality currently accompanying expatriates sent on an international assignment by multinational enterprises from any country – a multinational enterprise referring to any enterprise with operations in more than one country.

#### **4.3.2. Sampling Method**

Blumberg *et al.* (2008:240), Bryman and Bell (2011:190-194), Cooper and Schindler (2011:369), and Saunders *et al.* (2009:213-241) define two sampling methods that can be used: probability sampling and non-probability sampling. Probability sampling is a “controlled procedure that assures that each population element is given a known nonzero chance of selection”, which reduces the chance of sampling bias. Probability sampling provides estimates of precision and offers the opportunity to generalise one’s findings to the population of interest from the sample population.

While probability sampling is based on random selection, non-probability sampling is arbitrary and subjective, and when using it samples are chosen with a specific pattern or scheme in mind (Cooper & Schindler, 2011:369).

#### 4.3.2.1. Non-probability Sampling

Non-probability sampling can be further classified into convenience, purposive and snowball methods. With convenience sampling, researchers are free to choose whomever they wish to form part of their sample, while snowball sampling describes a situation where people who are discovered may or may not be selected, but often refer researchers to suitable candidates. Purposive sampling can be further classified into judgement sampling and quota sampling. Researchers using judgement sampling select their sample based on whether or not they conform to certain criteria. With quota sampling, if a sample has the same distribution of relevant characteristics as the population, then it is likely to be representative of other variables which the researcher cannot control. For example, if a student body is 55 percent female and 45 percent male, the sampling quota would call for sampling students at a 55 to 45 percent ratio (Blumberg *et al.*, 2008:250; Cooper & Schindler, 2011:385).

As there was no available sample frame of trailing spouses on international assignments, non-probability sampling had to be used. In particular, two types of non-probability sampling were used in this study, namely; judgement sampling and snowball sampling.

Non-probability judgement sampling was used in this study as sample members were selected based on whether or not they were trailing spouses, of any nationality, *currently* accompanying an expatriate on an international assignment. Multinationals were contacted and asked to provide contact details of their accompanied expatriates who were currently assigned to an international location. A few of those multinationals who were unwilling to share their expatriates' contact details forwarded the details of the study directly to their expatriate population, inviting them to participate in the research.

Non-probability snowball sampling, although not initially intended as a sampling method, was also used in this study, as trailing spouses who completed the questionnaire encouraged others within their networks and expatriate compounds to also participate in the research. International relocation enterprises, foreign expatriate organisations, expatriate online forums, and LinkedIn and Facebook groups were also contacted to assist in connecting with potential respondents. These organisations acknowledged the importance of such a study and, in an effort to attract more participants, they made referrals to expatriates to whom they provided services, or shared details of this study and the questionnaire link on their enterprise websites.



### 4.3.3. Sample Size

According to Blumberg *et al.* (2008:241), Bryman and Bell (2011:187), and Cooper and Schindler (2011:374), the number of subgroups, rules of thumb, variance within the population, desired precision, and budget considerations determine the size of the sample used if non-probability sampling is chosen. The sample used should be large enough to bear some proportional relationship to the size of the population from which it is drawn. The larger the sample size, and the more representative it is of the population, the easier it is to note significant differences, and the more power the test has to detect and possibly reject the null hypothesis (Salkind, 2012:156).

When the survey was closed on 12 March 2015 there were 443 respondents in total who had completed the online questionnaire; however, only 218 of these responses were valid for data analysis.

## 4.4. DATA COLLECTION

Once the research design and sampling design has been finalised, the data collection stage may begin. According to Cooper and Schindler (2011:89), the gathering of data may range from a simple observation at one location to a grandiose survey of MNEs across the globe. Methods for recording raw data include questionnaires, standardised tests, observational forms, or laboratory notes. Data collection generally comprises two phases: a pilot study, often in the form of pretesting, and the main study.

Qualtrics, an online questionnaire development program, was used to construct a self-administered questionnaire which respondents were then able to access online through a link contained in an email. The questionnaire was split into three sections: Section A (personal information), Section B (enterprise characteristics), and Section C (preparation, training and support requirements of expatriate trailing spouses). Sections A and B required spouses to provide demographic information (age, gender, employment status, education etc.) while Section C included a number of Likert-scale questions regarding the preparation, training and support requirements identified during the literature study.

### 4.4.1. Questionnaire Design

When measuring, one usually devises a mapping rule and then translates the observation of property indicants using this rule. Mapping rules each have their own set of “underlying

assumptions about how the numerical symbols correspond to real-world observations” (Blumberg *et al.*, 2008:438; Cooper & Schindler, 2011:273).

According to Cooper and Schindler (2011:273), mapping rules have four assumptions:

1. *Classification*: Numbers are used to classify, group, or sort responses. No order exists.
2. *Order*: Numbers are ordered. One number is greater than, less than, or equal to another number.
3. *Distance*: Differences between numbers are ordered. The difference between any pair of numbers is greater than, less than, or equal to the difference between any other pair of numbers.
4. *Origin*: The number series has a unique origin indicated by the number zero. This is an absolute and meaningful zero point.

According to Blumberg *et al.* (2008:440), Cooper and Schindler (2011:274), and Jackson (2003:32-33), the combinations of these characteristics of classification, order, distance and origin provide four common measurement scales that can be used, namely nominal, ordinal, interval and ratio.

**Table 4.1** Types of Measurement Scales

Type of Scale	Characteristics of Data	Basic Empirical Operation	Example
<b>Nominal</b>	Classification (mutually exclusive and collectively exhaustive categories), but no order, distance or natural origin	Determination of equality	Gender (male, female)
<b>Ordinal</b>	Classification and order, but no distance or natural origin	Determination of greater or lesser value	Doneness of meat (well, medium well, medium rare, rare)
<b>Interval</b>	Classification, order, distance, but no origin	Determination of equality of intervals or differences	Temperature in degrees, calendar time
<b>Ratio</b>	Classification, order, distance, and natural origin	Determination of equality of ratios	Age in years, weight, height, distance, area

Source: Adapted from Cooper and Schindler (2011:274)

#### 4.4.1.1. Nominal Scales

According to Blumberg *et al.* (2008:440), Cooper and Schindler (2011:274), and Jackson (2003:32-33), nominal scales are often used in business research. When using a nominal scale you are collecting information on variables that have no numerical properties, and naturally or by design can be grouped into two or more categories that are mutually exclusive and collectively exhaustive. Nominal classifications may consist of any number of separate groups; however, the counting of numbers in each group is the only possible arithmetic operation. The researcher is therefore restricted to using the mode (most frequently occurring value) as the measure of central tendency, while there is no measure for dispersion. Nominal scales have been found to be the least powerful of the four types of data, as they suggest no order or distance relationship and have no arithmetic origin. For this reason, they are used in exploratory work where the objective is to uncover relationships rather than secure precise measurements.

In this study nominal scales were used for numerous demographic questions in Sections A and B (see Appendix A) to allow for further research to uncover possible relationships between demographic characteristics and preparation, training and support requirements.

#### 4.4.1.2. Ordinal Scales

Ordinal scales have classification as well as order characteristics, with variables that can be categorised and the categories then ordered according to rank. Ordinal data require conformity to a logistical postulate, which states: “If  $a$  is greater than  $b$  and  $b$  is greater than  $c$ , then  $a$  is greater than  $c$ .” From this we can see that an ordinal scale implies a statement of ‘greater than’ or ‘less than’, without stating *how much* greater or less. Ordinal scales are therefore most commonly used with attitude or preference scales. With this type of data, the most appropriate measure of central tendency is the median (midpoint of distribution), while dispersion is revealed by a percentile or quartile (Blumberg *et al.*, 2008:440; Cooper & Schindler, 2011:274; Jackson, 2003:32-33).

Ordinal scales were used in both Sections A and B (see Appendix A) to determine various demographic characteristics of the respondents. Ordinal scales were primarily used in the form of a Likert scale, which makes use of statements rather than questions, prompting respondents to rate their level of agreement with the statement (Blumberg *et al.*, 2008:466; Cooper & Schindler, 2011:299). Respondents gave their opinion in Section C (questions 26

to 47) regarding their various preparation, training and support requirements by rating, on a scale of 1 to 4 (strongly disagree, disagree, agree, and strongly agree), the individual variable's importance for their adjustment, as well as whether or not these variables were provided to them by the enterprise.

#### 4.4.1.3. Interval Scales

Blumberg *et al.* (2008:440), Cooper and Schindler (2011:274), and Jackson (2003:32-33) point out that interval scales have the power of nominal and ordinal scales plus one additional strength: distance. Interval scales have classification and order characteristics as well as distance, with the distance between 1 and 2 being equal to the distance between 2 and 3. When using interval scales, one should use the arithmetic mean as the measure of central tendency, while the standard deviation is used to measure dispersion.

#### 4.4.1.4. Ratio Scales

Ratio scales have classification, order and distance characteristics as well as a natural origin (absolute zero), which indicates an absence of the variable being measured, for example a respondent's age. When conducting business research, ratio scales are used in money values, population counts, distances, return and productivity rates, as well as amounts of time. When using ratio scales, the geometric or harmonic means measure central tendency, while coefficients of variation describe variability (Blumberg *et al.*, 2008:440; Cooper & Schindler, 2011:274; Jackson, 2003:32-33).

In this study ratio scales were used in Section A (question 24) (see Appendix A) of the questionnaire to facilitate further research with the purpose of uncovering relationships between demographic characteristics and spouses' requirements.

#### 4.4.1.5. Structured and Unstructured Responses

Response strategies may be structured (closed response) or unstructured (open-ended response), a decision which is dependent on the objectives of the study; the participants' knowledge of the topic; or the participants' motivation to share their knowledge. Structured response strategies provide respondents with specified alternatives for their answers, in the form of multiple choices, checklists, rating or ranking responses (Cooper & Schindler, 2011:329-336). For this study, both structured and unstructured response strategies were used in the questionnaire (see Appendix A).

According to Cooper and Schindler (2011:329), open-ended questions allow participants to record their ideas in their own words in spaces provided in the questionnaire. Upon conclusion of Section C in the questionnaire, respondents were able to record their views on additional preparation, training, or support requirements that had not been previously covered in the questionnaire.

#### **4.4.2. Testing of the Questionnaire**

As stated by Blumberg *et al.* (2008:540) and Cooper and Schindler (2011:89), the data-gathering phase of the research process usually begins with pilot testing, although this may be skipped if the project time frame needs to be condensed. A pilot test is conducted to identify weaknesses in the design and instrumentation and in some cases to provide proxy data for selecting a probability sample. Pilot testing uses suggestions from respondents to identify and change confusing, awkward, or offensive questions and techniques. The pilot study should draw subjects from the target population and simulate the procedures and protocols that have been designated for data collection. Pilot testing may be done in the form of pre-testing, where the researcher relies on colleagues, respondent surrogates, or actual respondents to refine a measuring instrument. Pre-testing may be repeated several times to refine questions, instruments or procedures before the actual study is done.

Pre-testing and validation of the questionnaire was undertaken using four professionals (An International Business Management lecturer; statistician; research consultant; and language editor) at the University of Pretoria who had all previously been involved in expatriate research, in order to determine whether or not the questionnaire was properly structured and whether or not the questions were easily understandable. Their recommendations were taken into account and all relevant changes were made to the measuring instrument. The questionnaire was then forwarded to four expatriate spouses currently accompanying an expatriate on assignment for further refining, and to see if their situation in the host country affected the way in which they interpreted the questions. The time taken by these trailing spouses to complete the questionnaire was also recorded.

#### **4.4.3. Response Rate**

The basic calculation for obtaining a response rate is to count the number of questionnaires returned or completed, then divide this total by the number of eligible people who were contacted or asked to participate in the survey (Zikmund, Babin, Carr & Griffin, 2013:215).

As no database of MNEs was available, a database containing the contact details of 196 MNEs was constructed. Each MNE was approached by phone in order to determine whether or not they made use of expatriate employees. For those enterprises that employed expatriates, the relevant HR or expatriate manager's name and contact details were recorded and these managers were contacted by telephone (or email, depending on availability) to request their assistance with distributing details of the study to expatriate spouses. A follow-up email was sent to each MNE with a research request letter drafted by the University of Pretoria. This letter introduced the researcher and requested assistance from the MNE. Only 17 of these enterprises provided formal consent for their expatriates' spouses to partake in the study. Although a few of these enterprises provided their expatriates' contact information, the majority preferred to forward the questionnaire information and online link themselves, due to privacy concerns.

Apart from the enterprises included in the database, seven private individuals, upon hearing of the research, offered to assist with the distribution of the questionnaire. These individuals were either linked to multinationals or to expatriate-support communities.

The link to the online questionnaire was embedded in an email that outlined the purpose of the research and provided a brief background to the research problem. This email was sent to all expatriates whose contact details had been provided; to enterprises who had given consent to partake in the research; and to those enterprises included in the database that had not expressly declined the research request. Some spouses acknowledged the importance of this study and were eager to forward the link on to their spousal networks. The questionnaire link was also posted on online expatriate forums, LinkedIn groups for expatriates and HR managers, and expatriate communities on Facebook.

By 12 March 2015, there were 443 respondents in total who had completed the online questionnaire; however, only 218 of these responses were valid for data analysis. Due to the nature of non-probability judgement and snowball sampling, the researcher was unable to determine the response rate, as it could not be confirmed how many trailing spouses received the link to the online questionnaire.

#### **4.4.4. Data Preparation**

According to Cooper and Schindler (2011:402), data preparation includes editing and coding raw data with the purpose of ensuring its accuracy. Responses are converted from raw data

into reduced and classified data that is ready for analysis. When editing, the researcher is able to detect errors and omissions and correct them wherever possible in order to ensure that maximum data quality standards are achieved.

Upon download of the final data, the 443 responses were checked individually. Those responses that had not completed the Likert-scale questions were removed from the spreadsheet. Six responses had many incomplete demographical questions and were also removed. This data preparation stage resulted in the removal of 225 responses from the data downloaded due to incomplete or inappropriate responses.

#### **4.4.5. Coding**

Coding involves assigning numbers or other symbols to answers of both closed questions and open-ended questions so that the responses can be grouped into a limited number of categories. Categories can be defined as the partitions of a data set of a given variable; for example, if the variable is gender, the participants are male and female. Although the categorisation of data sacrifices some data detail, it is absolutely necessary for efficient analysis. The researcher's task can be simplified by using numeric coding when converting a nominal variable like gender, to a 'dummy variable'. Instead of using male or female as a response, the researcher would use numeric codes: '0' for male and '1' for female (Cooper & Schindler, 2011:405).

In this study, the coding was done electronically once each respondent finished the online questionnaire and submitted the answers. The online survey software, Qualtrics automatically codes respondents' answers, enabling the researcher to download the responses in the comma-delimited format into an Excel spreadsheet. This eases the data analysis process and reduces the chance of human error.

#### **4.5. DATA ANALYSIS**

Cooper and Schindler (2011:90) define data analysis as the process of reducing accumulated data to a manageable size, developing summaries, discovering patterns and relationships between variables and applying statistical techniques. Researchers then need to interpret their findings to determine whether or not the results are in line with their hypotheses.

#### 4.5.1. Characteristics of Good Measurement

According to Blumberg *et al.* (2008:447), Bryman and Bell (2011:41) and Cooper and Schindler (2011:280), there are three major criteria for evaluating a measurement tool:

- *Validity* is the ability of a measuring instrument to measure what it is supposed to measure.
- *Reliability* has to do with the accuracy and precision of a measurement procedure.
- *Practicality* is concerned with a wide range of factors of economy, convenience, and interpretability.

##### 4.5.1.1. Validity

Validity can be classified into three major forms: content validity, criterion-related validity and construct validity (Blumberg *et al.*, 2008:447; Cooper & Schindler, 2011:280-282; Lee & Lings, 2008:170; Page & Meyer, 2005:86; Zikmund *et al.*, 2013:303-304).

- **Content validity** is the extent to which the measuring instrument provides adequate coverage of the investigative questions guiding the study. If the instrument is found to contain a representative sample of the universe of subject matter of interest, then the content validity is good.

Judgement is needed when determining content validity. The designer may either determine the items to be scaled and the scales to be used, or a panel of people may judge how well the instrument meets the standards.

- **Criterion-related validity** reflects the success of measures used for prediction or estimation; for example, an attitude scale that correctly forecasts the outcome of a purchase decision has predictive validity. An observational method that correctly categorises families by current income class has concurrent validity.

All criterion measures must be judged in terms of four qualities

1. A criterion is *relevant* if it can be defined and scored in terms the researcher judges to be proper measures of success.
2. *Freedom from bias* is attained when the criterion grants each person an equal opportunity to score well.



3. A *reliable* criterion is known to be stable and reproducible.
  4. The information specified by the criterion must be *available*.
- Both the theory and the measuring instrument are considered when evaluating **construct validity**. Construct validity may be further divided into convergent and discriminant validity. *Convergent validity* measures the degree to which scores on one scale correlate with scores on other scales designed to assess the same construct. *Discriminant validity* measures the degree to which scores on one scale do not correspond with scores from scales designed to assess different constructs. This was measured using factor analysis.

Factor analysis is used for exploration purposes, allowing researchers to detect patterns in hidden variables, discover new concepts and reduce data sizes. The objective of factor analysis is to create a more manageable number of variables from a larger set based on their nature and character. The most common method is principal components analysis, which converts a set of variables into either a smaller representative number of variables, or a completely new set of uncorrelated variables. These combinations of variables account for the variance that is present in the data (Bryman & Bell, 2011:170; Cooper & Schindler, 2011:545-548, Lee & Lings, 2008:363; Zikmund *et al.*, 2013:595).

Factor analysis can be classified in two types: exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). EFA is performed when a researcher is uncertain about how many factors may exist within a set of variables, whereas CFA is performed when a researcher has strong theoretical expectations about the factor structure, prior to performing the analysis. CFA tests how well a researcher's theory fits actual observations (Page & Meyer, 2005:196; Zikmund *et al.*, 2013:595), while exploratory factor analysis is a data-driven technique used to develop scales and subscales and to focus hypotheses for confirmatory analysis (Gorsuch, 1997:532-536).

Exploratory factor analysis was used in this study to establish how many factors existed within each construct. The number of factors was then determined by how many factors had eigenvalues greater than one, while each variable was classified under the factor in which it loaded the highest (loadings smaller than 0.300 were eliminated).

#### 4.5.1.2. Reliability

As defined by Blumberg *et al.* (2008:455), Bryman and Bell (2011:157), Cooper and Schindler (2011:283), Jackson (2003:39), Saunders *et al.* (2009:156) and Zikmund *et al.* (2013:305), reliability is the extent to which a measuring instrument supplies consistent results. Reliability is concerned with estimates of the degree to which a measurement instrument is free of random or unstable error. It also determines whether the measure will yield the same results on different occasions (deductive approach), and whether similar observations will be made by different researchers on different occasions (inductive approach). For example, if a scale measures your weight correctly, then it is both valid and reliable. If it consistently over-weighs you by six pounds, then the scale is reliable but not valid. However, if the scale measures erratically from time to time, then it is not reliable and therefore cannot be valid (Cooper & Schindler, 2011:283; Lee & Lings, 2008:169).

According to Blumberg *et al.* (2008:455) and Cooper and Schindler (2011:283-284), there are three perspectives on reliability: stability, equivalence and internal consistency.

- *Stability* exists if you are able to secure consistent results with repeated measuring of the same person with the same instrument. Stability measurement in surveys is more difficult and less easily executed than in observational studies.
- *Equivalence* is concerned with variations at one point in time among observers and samples of items, and how well a given set of items will categorise individuals. Inter-rater reliability is often used to correlate the observations or scores of the judges and render an index of how consistent their ratings are.
- *Internal consistency* is concerned with the homogeneity among items. The split-half technique is often used when a measuring instrument has many similar questions or statements to which the participant may respond.

The internal consistency reliability of the measurement tool used in this study was tested using Cronbach's Alpha. The Alpha was developed in 1951 by Lee Cronbach to create a measure of the internal consistency of a test or scale. Internal consistency describes the extent to which all variables in a test measure the same construct (Bryman & Bell, 2007:159; Cooper & Schindler, 2011:284; Lee & Lings, 2008:169; Tavakol & Dennick, 2011:53).

Cronbach's Alpha is presented as a number between 0 and 1, and tests internal validity by measuring the "degree to which instrument items are homogeneous and reflect the same underlying constructs" (Bryman & Bell, 2007:164; Cooper & Schindler, 2011:284; Lee & Lings, 2008:169; Tavakol & Dennick, 2011:53).

The formula for Cronbach's Coefficient Alpha is as follows (Bland & Altman, 1997:572):

$$\alpha = \frac{k}{k-1} \left( 1 - \frac{\sum S^2_i}{S^2_T} \right)$$

Where:

$k$  is the number of items

$S^2_i$  is the variance of the  $i$ th item

$S^2_T$  is the variance of the total score which is the sum of all the items.

If the variables in a test are correlated with each other, the alpha value increases. If the items are identical and perfectly correlated, then the Cronbach's Alpha value will be one. However, if the items are independent then the alpha value would be zero (Bryman & Bell, 2007:164; Tavakol & Dennick, 2011:53).

According to Milfont and Gouveia (2006:76), Segù, Collesano, Lobbia and Rezzani (2005:127), and Tappen (2010:131), a Cronbach's Alpha value that is above 0.70 is regarded as an indication of reliability. For the purposes of this study, a minimum Cronbach's Alpha value of 0.70 was taken into account.

#### 4.5.1.3. Practicality

As stated by Blumberg *et al.* (2008:459) and Cooper and Schindler (2011:285-286), practicality can be defined as economy, convenience and interpretability.

- In terms of **economy**, more items provide more reliability; however, these also increase costs. The choice of a data-collection method is therefore often dictated by economic factors. In this study the measurement instrument was administered through an online questionnaire program to which access is provided by the

University of Pretoria. This eliminated for the researcher the financial costs often associated with data collection.

- A measuring device is **convenient** if it is easy to administer. In this study respondents around the world were able to access the questionnaire online using a link contained in an email. This eliminated the need for paper-based questionnaires and face-to-face interviews, which tend to be more time consuming and difficult to monitor. The online programme also collated the data that was received and gave the researcher the option to download the results in various formats.
- People other than the test designers should be able to **interpret** the results. The data for this study was downloaded in the comma-delimited format into an Excel spreadsheet for easy data analysis and interpretation.

#### 4.5.2. Hypothesis Testing

According to Cooper and Schindler (2011:468) and Zikmund *et al.* (2013:517), the  $Z$  test or  $t$ -test is used by researchers to determine the statistical significance between a sample distribution mean and a parameter, by indicating the number of standard deviations a score is from the mean. These tests are appropriate when testing hypotheses involving some observed mean against some specified value.

The  $t$  has more tail area than the normal distribution, as there tends to be a lack of information about the population standard deviation. Although the sample standard deviation is used as a proxy figure, this imprecision makes it necessary to go farther away from 0 in order to include the percentage of values in the  $t$  distribution found in the standard normal distribution. When sample sizes approach 120, the sample standard deviation is a good estimate of the population standard deviation; while for sample sizes beyond 120 the  $t$  and  $Z$  distributions are almost identical (Cooper & Schindler, 2011:468).

$t$ -Tests compare the means of two groups of data, and can be classified as either independent samples  $t$ -test or dependent samples  $t$ -test. An independent samples  $t$ -test compares the means of two groups of 'different' people (men and women). A dependent one-samples  $t$ -test compares the performance of participants in two groups, with the same people used in both groups, to determine the difference between the two population means (in this case, required vs. provided) (Cooper & Schindler, 2011:468; Jackson, 2003:136; Lee & Lings, 2008:356; Saunders *et al.*, 2009:456; Zikmund *et al.*, 2013:535).

To calculate  $t$ , Cooper and Schindler (2011:468) recommend using the following formula when testing hypotheses:

$$t = \frac{\bar{X} - \mu}{\frac{s}{\sqrt{n}}}$$

Where:

$\bar{X}$  is the measure of central tendency

$\mu$  is the population parameter

$s$  is the sample standard deviation

$n$  is the number of items in the sample

An individual dependent-samples  $t$ -test was used to compare what was required by trailing spouses in terms of preparation, training and support, with what was provided by their MNEs. A paired  $t$ -test was used to test the hypotheses focusing on the preparation required vs. provided and training required vs. provided. However, the support required vs. provided hypothesis could not be tested as the factor analysis found that the two factors making up the *Support required* construct were different from the two factors making up the *Support provided* construct.

#### 4.5.3. Descriptive Statistics

According to Cooper and Schindler (2011:425) and Lane (2010:1), the most common measures of central tendency include the mean, median and mode. The mean score (or average response) for each preparation, training and support variable was calculated using the following formula:

$$\bar{X} = \frac{\sum_{i=1}^n X_i}{n}$$

Where:

$\bar{X}$  is the mean or average

$\sum_{i=1}^n X_i$  is the sum of all the responses

$n$  is the number of responses

If the mean score was greater than 2.5 on a four-point Likert scale, where strongly disagree = 1, disagree = 2, agree = 3, strongly agree = 4, then it was deduced that the variable was required by the majority of trailing spouses.

#### 4.5.4. Inferential Statistics

According to Cooper and Schindler (2011:464-466) and Page and Meyer (2005:167), there are two types of significance tests that are used to test hypotheses: parametric and nonparametric. Parametric tests have greater efficiency and are more powerful, as their data is derived from interval or ratio measurements. On the other hand, nonparametric tests are easier to understand, as they use nominal and ordinal data.

While nonparametric tests do not specify normally distributed populations of equality of variance; the following assumptions apply to parametric tests (Cooper & Schindler, 2011:464; Page & Meyer, 2005:167):

- The observations must be independent.
- The observations should be drawn from normally distributed populations.
- The populations should have equal variances.
- The measurement scales should be at least interval, so that the researcher may use arithmetic operations with them.

The following tests were used in this research study:

Parametric Tests	Nonparametric Tests
$t$ -Test	Kruskal-Wallis One-way Analysis of Variance
One-way Analysis of Variance	Mann-Whitney $U$

#### 4.5.5. Parametric Tests

##### 4.5.5.1. $t$ -Test

According to Cooper and Schindler (2011:471) and Page and Meyer (2005:176), two-independent-samples tests are often used in business research to compare the characteristics

of one sample with another to determine if they are from the same population. The  $t$ -test is used with small sample sizes, normally distributed populations, and the assumption of equal population variances. The formula for this test is as follows:

$$t = \frac{(\bar{X}_1 - \bar{X}_2) - (\mu_1 - \mu_2) 0}{\sqrt{S_p^2 \left( \frac{1}{n_1} + \frac{1}{n_2} \right)}}$$

Where:

$\bar{X}_1$  is the mean or average of sample 1

$\bar{X}_2$  is the mean or average of sample 2

$(\mu_1 - \mu_2)$  is the difference between the two population means

$S_p^2$  is associated with the pooled variance estimate:

$$S_p^2 = \frac{(n_1 - 1)S_1^2 + (n_2 - 1)S_2^2}{n_1 + n_2 - 2}$$

$n_1$  is the number of responses in sample 1

$n_2$  is the number of responses in sample 2

In this study, the  $t$ -test was used to test the statistically significant difference between the following dependent and independent variables:

- The nature of the assignment (independent variable) and trailing spouses' preparation, training and support requirements (dependent variables)
- Trailing spouses' employment status while on assignment (independent variable) and their preparation, training and support requirements (dependent variables)
- Trailing spouses' previous international experience (independent variable) and their preparation, training and support requirements (dependent variables).

#### 4.5.5.2. One-way Analysis of Variance

Cooper and Schindler (2011:477), Larson (2008:115), and Page and Meyer (2005:178) define analysis of variance (ANOVA) as a statistical method used to test the null hypothesis that the

means of several populations are equal. ANOVA breaks down total variability into component parts by using the squared deviations of the variance in order to sum the computation of distances between the individual data points and their own mean or the grand mean. The total deviation is then the sum of the squared differences between each data point and the overall grand mean.

This total deviation for a particular data point may be separated into *between-groups variance* and *within-groups variance*. “The between-groups variance represents the effect of the treatment or factor. The differences of between-groups means imply that each group was treated differently, and that the treatment will appear as deviations of the sample means from the grand mean” (Cooper & Schindler, 211:478). The within-groups variance describes the deviations of the data points within each group from the sample mean, which results from random variation and variability among subjects. This is often referred to as error.

The test statistic for ANOVA is the  $F$  ratio:

$$F = \frac{\text{between – groups variance}}{\text{within – groups variance}} = \frac{\text{mean square}_{\text{between}}}{\text{mean square}_{\text{within}}}$$

Where:

$$\text{Mean square}_{\text{between}} = \frac{\text{sum of squares}_{\text{between}}}{\text{degrees of freedom}_{\text{between}}}$$

$$\text{Mean square}_{\text{within}} = \frac{\text{sum of squares}_{\text{within}}}{\text{degrees of freedom}_{\text{within}}}$$

If the null hypothesis is true, there will be no difference between the population means, and the ratio should be close to 1. If the population means are not equal, the numerator should manifest this difference and the  $F$  value should be greater than 1. The  $F$  distribution determines the size of ratio necessary to reject the null hypothesis for a particular sample size and level of significance.



In this study, ANOVA was used to test the statistically significant difference between the following dependent and independent variables:

- Whether or not trailing spouses had previously accompanied an expatriate on an assignment (independent variable) and their preparation, training and support requirements (dependent variables).

#### 4.5.6. Nonparametric Tests

##### 4.5.6.1. Kruskal-Wallis One-way ANOVA

The Kruskal-Wallis test is a one-way ANOVA by ranks and is used when data is collected on an ordinal scale. This test may also be used for interval data that do not meet  $F$  test assumptions, that cannot be transformed or for another reason prove to be unsuitable for a parametric test. The Kruskal-Wallis test assumes random selection and independence of samples and an underlying continuous distribution (Cooper & Schindler, 2011:484; Page & Meyer, 2008:175).

Data is prepared by converting the ratings or scores into ranks for each observation that is to be evaluated. The ranks range from highest to lowest of all data points and are tested using the formula below to decide whether or not they are samples for the same population (Blumberg *et al.*, 2008:672; Cooper & Schindler, 2011:675):

$$H = \frac{12}{N(N+1)} \sum_{j=1}^k \frac{T_j^2}{n_j} - 3(N+1)$$

Where:

$T_j$  is the sum of ranks in column  $j$

$n_j$  is the number of cases in  $j$ th sample

$N = \sum w_j$  and is the total number of cases

$K$  is the number of samples

In this study, the Kruskal-Wallis test was used to test the statistically significant difference between the following dependent and independent variables:

- Trailing spouses' level of education (independent variable) and their preparation, training and support requirements (dependent variables)
- Trailing spouses' involvement in the selection process (independent variable) and their preparation, training and support requirements (dependent variables)
- The length of time between selection and departure (independent variable) and trailing spouses' preparation, training and support requirements (dependent variables)
- The host continent (independent variable) and trailing spouses' preparation, training and support requirements (dependent variables)
- Whether or not trailing spouses had previously been assigned to an expatriate assignment themselves (independent variable) and their preparation, training and support requirements (dependent variables)
- Expatriates' position within the enterprise (independent variable) and the trailing spouses' preparation, training and support requirements (dependent variables)
- The MNE's head office location (independent variable) and trailing spouses' preparation, training and support requirements (dependent variables)
- The size of the MNE (independent variable) and trailing spouses' preparation, training and support requirements (dependent variables).

#### 4.5.6.2. Mann-Whitney U Test

According to Blumberg *et al.* (2008:670) and Cooper and Schindler (2011:673-674), the Mann-Whitney *U* test is an alternative to the *t*-test without the *t*-test's assumptions, and can be used with two independent samples if the data are at least ordinal. To calculate the *U* test all observations should be treated in a combined fashion and ranked from smallest to largest; the rank values for each sample are then totalled and the *U* statistic is calculated as follows:

$$U = n_1 n_2 + \frac{n_1(n_1 + 1)}{2} - R_1$$

or

$$U = n_1 n_2 + \frac{n_2(n_2 - 1)}{2} - R_2$$

Where:

$n_1$  = number of responses in sample 1

$n_2$  = number of responses in sample 2

$R_1$  = sum of ranks in sample 1

$R_2$  = sum of ranks in sample 2

By using both of the above calculations, one can calculate two  $U$  values (one using  $R_1$  and one using  $R_2$ ); however, for testing purposes, the researcher should always use the  $U$  with the smaller value (Blumberg *et al.*, 2008:670; Cooper & Schindler, 2011:674).

In this study, the Mann-Whitney  $U$  test was used to test the statistically significant difference between the following dependent and independent variables:

- Trailing spouses' gender (independent variable) and their preparation, training and support requirements (dependent variables).

#### 4.6. SUMMARY

The demographic profile of the sample was created using the responses to Section A of the measuring instrument. A factor analysis was then conducted to determine if each of the constructs (*Preparation, Training and Support*) represented a single or multiple factors, after which the reliability of the measuring instrument was tested using Cronbach's Coefficient Alpha.

An individual dependent samples  $t$ -test was used to determine the difference between what was required by trailing spouses and what was provided by the enterprise. A paired  $t$ -test was then conducted to test the preparation and training hypotheses; however, the *Support required*

*vs. provided* hypothesis could not be tested, as the factor analysis found that the two factors making up the *Support required* construct were different from the two factors making up the *Support provided* construct.

The mean score was used to determine whether or not the majority of spouses required each variable and to rank the variables in order of importance.

Lastly, the data analysis stage was completed by conducting various significance tests to determine whether or not there were statistically significant differences between trailing spouses' preparation, training and support requirements depending on certain demographic characteristics.

The results of the data analysis stage will be discussed in the following chapter.

## CHAPTER 5

### ANALYSIS AND INTERPRETATION OF RESULTS

#### 5.1. INTRODUCTION

This chapter will include an analysis and interpretation of the results of the empirical research findings. The results of this empirical study will be presented as a description of the sample in terms of the trailing spouses' demographical information drawn from the online questionnaire. This will be followed by a factor analysis and a reliability test using Cronbach's Alpha. The chapter will conclude with findings from the *t*-test, paired *t*-test, an analysis of the mean scores and inferential statistics.

#### 5.2. DEMOGRAPHIC PROFILE OF THE SAMPLE

Section A of the online trailing spouse questionnaire focused on the demographic information of the respondents, particularly the spouses' personal characteristics and assignment details. Section B consisted of four questions; all related to the expatriates' enterprise. These demographic results are discussed in the sections below.

##### 5.2.1. Age Profile of Respondents

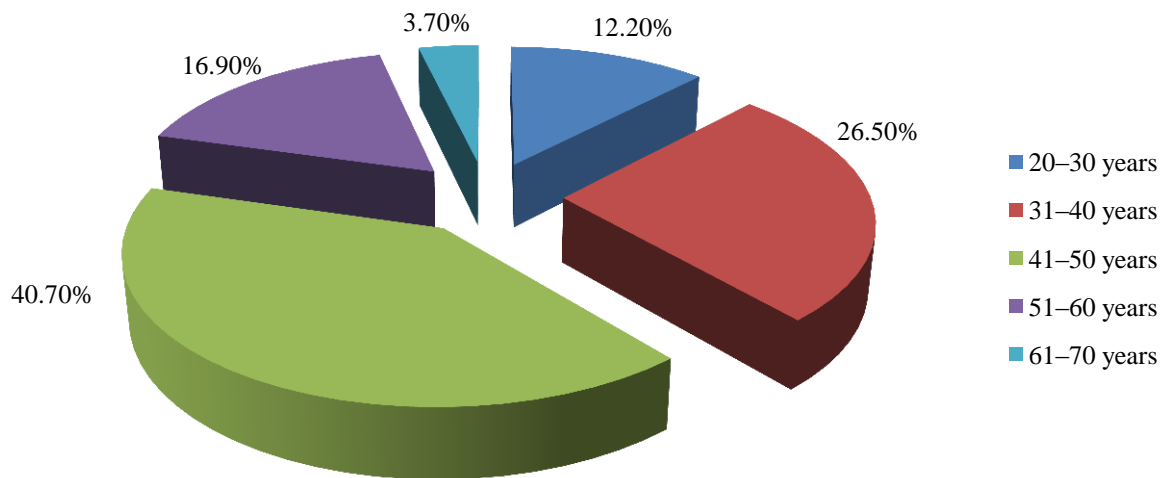
Table 5.1 represents a grouped frequency distribution of the ages of the respondents. Of the 218 trailing spouses who responded to the survey, 29 chose not to indicate their age. The ages of the remaining 189 respondents ranged from 22 to 67 years of age. The majority of respondents, however, fall between the ages of 41 and 50 (40.7 percent of the sample), 26.5 percent of respondents were between the ages of 31 and 40, with only 3.7 percent being over the age of 61.

The findings of this study are supported by Blakely, Hennessy, Chung and Skirton (2014:74), who found that the majority of trailing spouses in their study were between 40 and 49 years of age. However, in a study by McNulty (2012:423), it was found that the majority (46 percent) of trailing spouses were between the ages of 30 and 39, while 31 percent fell within the 40 to 49 age group, and only 2 percent of respondents were over the age of 60.

**Table 5.1 Age Profile of Trailing Spouses**

Age Group	Frequency	Percent	Valid Percent	Cumulative Percent
20–30 years	23	10.6	12.2	12.2
31–40 years	50	22.9	26.5	38.6
41–50 years	77	35.3	40.7	79.4
51–60 years	32	14.7	16.9	96.3
61–70 years	7	3.2	3.7	100.0
<i>Total</i>	<i>189</i>	<i>86.7</i>	<i>100.0</i>	
Missing	29	13.3		
<b>Total</b>	218	100.0		

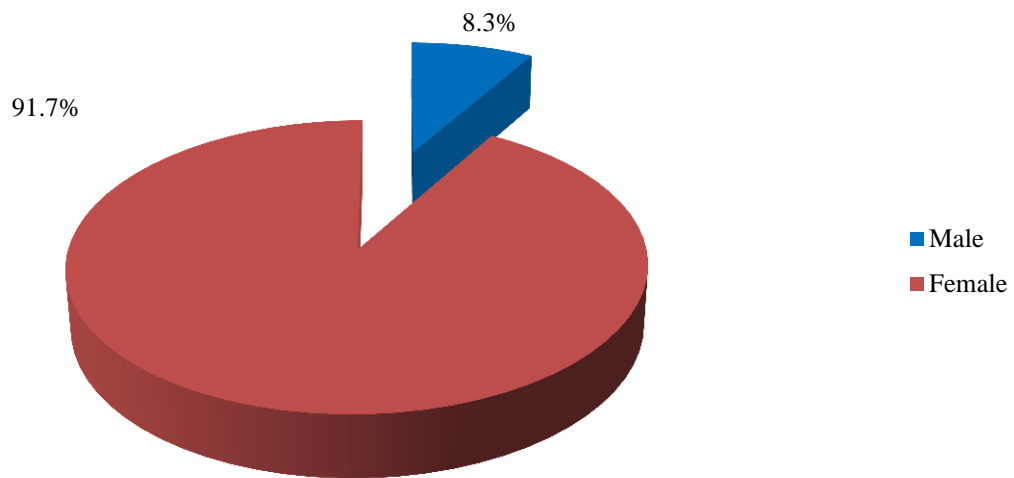
**Figure 5.1 Age Profile of Trailing Spouses**



### 5.2.2. Gender Representation of Trailing Spouses

Figure 5.2 below graphically depicts the gender of trailing spouses included in this study; 8.3 percent of the respondents were male, while the remaining 91.7 percent were female.

**Figure 5.2 Gender Representation of Trailing Spouses**



The results of this study are supported by a number of other studies where it was found that the number of trailing spouses who were female ranged between 89.3 percent and 95 percent (McNulty, 2012:423; Blakely *et al.*, 2014:74; Wiese, 2010:9; Van Erp *et al.*, 2011a:64). It is interesting, however, to note that despite the high percentage of female trailing spouses, Andreason (2008:386) maintains that the number of male accompanying spouses is on the rise.

### **5.2.3. Education Level of Respondents**

From Table 5.2 it can be seen that 93.5 percent of trailing spouse had a tertiary qualification (any type of learning after Matric.), with 70 percent holding either a bachelors or postgraduate degree. Other studies in which respondents had a high level of education include McNulty (2012:428), who found that 84 percent of trailing spouses had either a tertiary or college education, and Van Erp *et al.* (2011a:64), who found that 74.8 percent of expatriate spouses had completed an education at university level or higher.

**Table 5.2 Education Level of Respondents**

Education Level	Frequency	Percent	Valid Percent	Cumulative Percent
Lower than Grade 12	1	0.5	0.5	0.5
Grade 12	13	6.0	6.0	6.5
Certificate	10	4.6	4.6	11.1
Diploma	41	18.8	18.9	30.0
Bachelor's Degree	73	33.5	33.6	63.6
Postgraduate Degree	79	36.2	36.4	100.0
<i>Total</i>	<i>217</i>	<i>99.5</i>	<i>100.0</i>	
<i>Missing</i>	1	0.5		
<b>Total</b>	218	100.0		

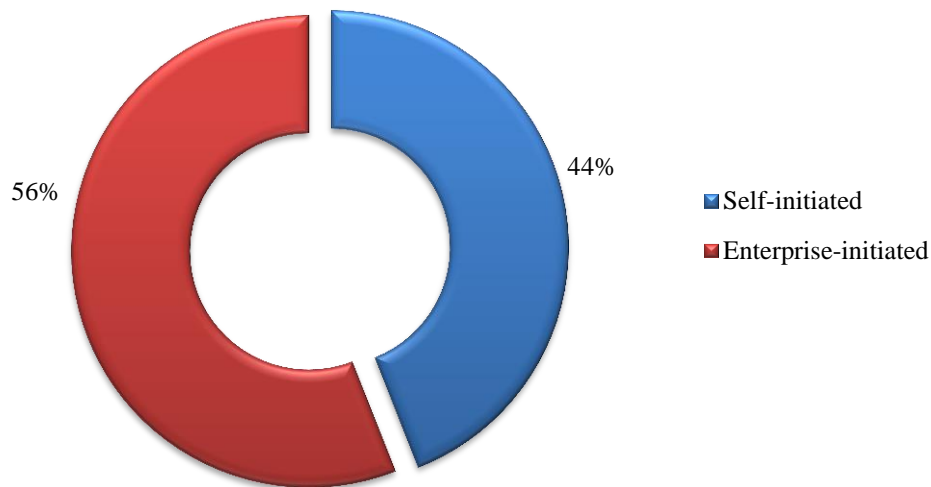
#### 5.2.4. Nature of the Assignment

When looking at Figure 5.3 one can see that 56 percent of the respondents in this study were selected for an international assignment by the MNE (enterprise initiated), while 44 percent made the decision themselves (self-initiated) to relocate to another country within the same enterprise. This is supported by Biemann and Andresen (2010:436), who conducted a study on German expatriates which found that more assignments were initiated by the enterprise than by the expatriate. This is, however, contradicted by Doherty *et al.* (2011:601), who found that 65 percent of expatriates in their study (from diverse nationalities) went on their own initiative.

According to Biemann and Andresen (2010:442), self-initiated expatriates can be seen as truly global employees, as they have a high willingness to move to other countries and enjoy being relocated to many different places. Self-initiated expatriates also tend to stay longer in the host country and have a greater need to integrate into the local environment than expatriates who are sent on assignment by the MNE (Biemann & Andresen, 2010:435; Doherty *et al.*, 2011:606).



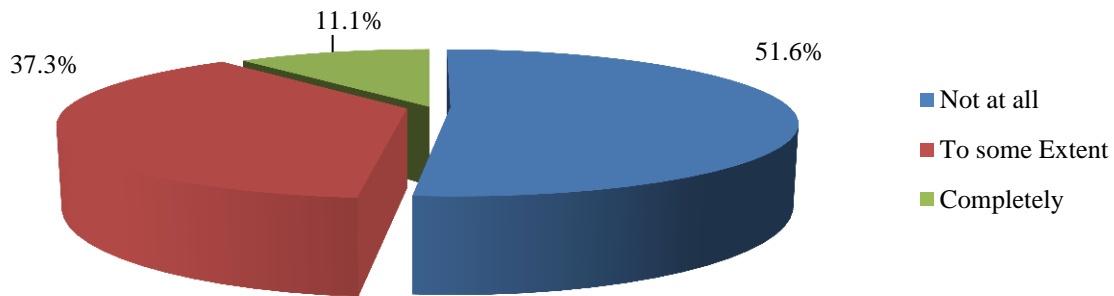
**Figure 5.3 Self-initiated versus Enterprise-initiated Assignments**



#### **5.2.5. Extent of Spouses' Involvement in the Selection Process**

Due to the fact that spouses are critical to the success of an expatriate assignment, it is important for enterprises to take their needs into consideration and involve them throughout the expatriation process (Copeland & Norell, 2002:257; Fischlmayr & Kollinger, 2010:478). Considering this, it is interesting to note that 51.6 percent of the respondents in this study were not included in the selection process at all, as can be seen from Figure 5.4 below. According to Andreason (2008:391) and Brett and Stroh (1995:417), enterprises are reluctant to include spouses during the interview and selection process, despite the fact that managers who are best prepared for their assignments are those who have the support of their spouses. This also seems to be the case in this study, as 37.3 percent of respondents were partially included, while only 11.1 percent felt that they had been included fully in the selection process.

**Figure 5.4** Extent of Spouses' Involvement in the Selection Process



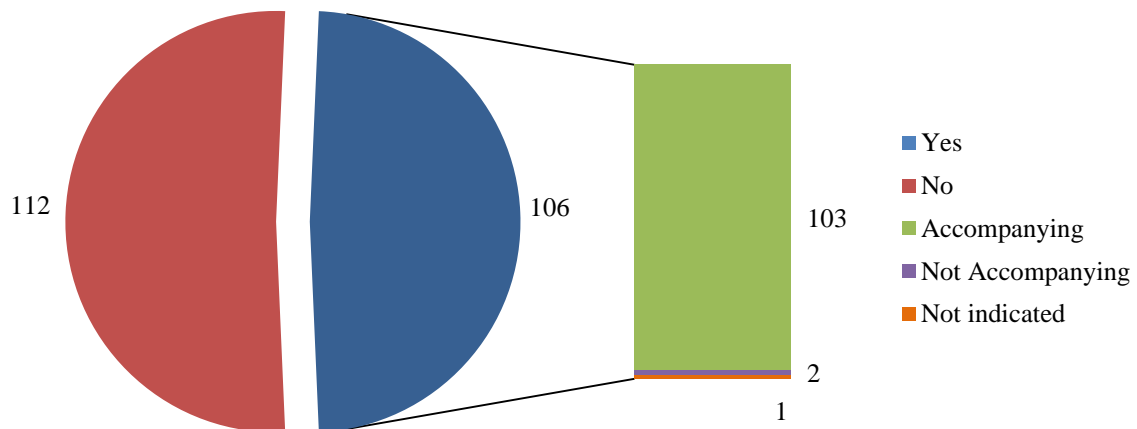
### 5.2.6. Accompanying Children

When looking at Figure 5.5, one can see that 106 of the respondents in this study (48.6 percent) had children of school-going age, of which 103 (98.1 percent) indicated that these children were accompanying them on the assignment. These findings are similar to those by Van Erp *et al.* (2011a:63), who conducted a study on 103 expatriate couples, of which 55.3 percent had children under the age of 18. Van Erp *et al.* (2011a:63) found that all but one of these children were accompanying their parents in the host country.

Of those children in the study who were not accompanying their parents, one was in Matric, and felt that the school year would be too complex a one in which to move countries; while another spouse had decided that it would be best for her children to attend boarding school, as they were to be transferred to another country in the near future. One of the spouses whose children were in school did not answer the follow-up question regarding why their school-age children were not accompanying them.

The finding that 47.2 percent (or 103 spouses) of the 218 respondents have children accompanying them on the assignment mirrors the study by Brookfield Global Relocation Services (2010), which found that 47 percent of expatriates take their spouses and children with them. In a more recent study, Brookfield Global Relocation Services (2012) found that 43 percent of all expatriates have their children accompanying them on an international assignment.

**Figure 5.5 Children of School-going Age and Accompanying Status**



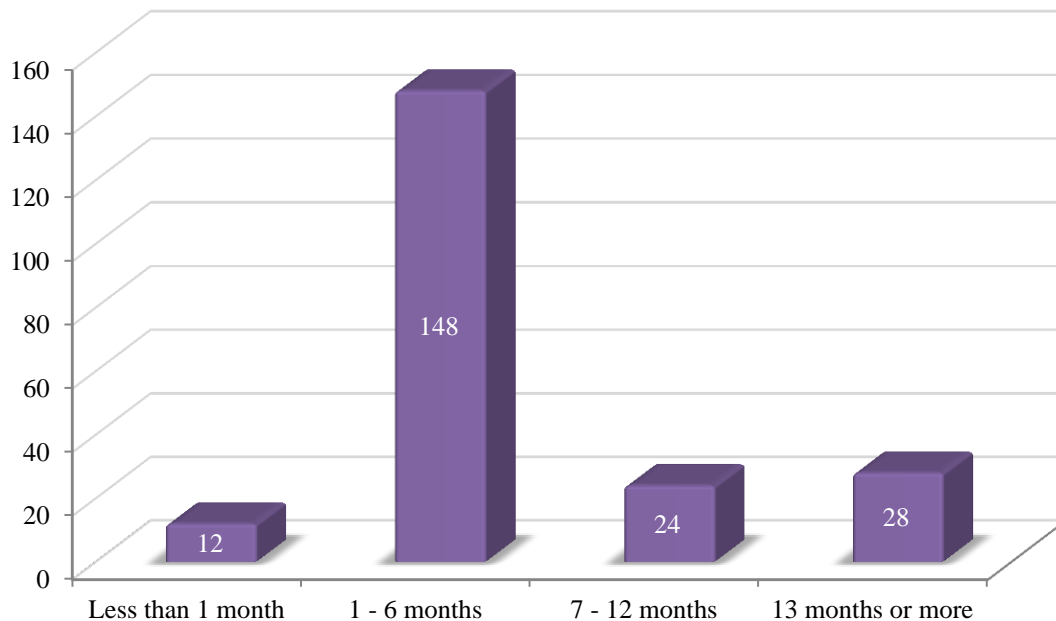
**5.2.7. Length of Time between Selection and Departure**

As can be seen in Table 5.3 and Figure 5.6, the majority of spouses (75.5 percent) departed for the assignment within six months of the expatriate’s selection. Of interest is the fact that one of the spouses had to leave their home country only two days after the process was finalised, while another spouse had only ten days between selection and departure.

**Table 5.3 Length of Time between Selection and Departure**

Departure Time	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 month	12	5.5	5.7	5.7
1–6 months	148	67.9	69.8	75.5
7–12 months	24	11.0	11.3	86.8
13 months or more	28	12.8	13.2	100.0
<i>Total</i>	<i>212</i>	<i>97.2</i>	<i>100.0</i>	
<i>Missing</i>	6	2.8		
<b>Total</b>	218	100.0		

**Figure 5.6 Duration of Time between Selection and Departure**



### 5.2.8. Trailing Spouses' Host Continent

As can be seen from Table 5.4, the 218 respondents were assigned to six different continents (52 different countries), Asia being the most common continent, represented by 40.6 percent of the respondents, followed by Africa with 35 percent.

Büthe and Milner (2008:741,757) and Scullion, Collings and Gunnigle (2007:310) discuss the fact that the concentration of FDI by multinationals (traditionally focused on developed countries) has recently shifted to developing countries, particularly in East Asia. The growth of such emerging markets has increased the demand for expatriate employees in these countries. According to Dörrenbächer and Geppert (2010:603), Edström and Galbraith (1977:253) and Gong (2003:737), filling positions is an important function of expatriate employees, especially in developing countries, where qualified local nationals are less likely to be available.

Figure 5.7 provides a graphical illustration of the dispersion of respondents across the globe. Malaysia was the most common host country, with 33 trailing spouses, followed by the United Arab Emirates (UAE) with 20, South Africa with 16 and the US with 12. On the other hand, a study by Biemann and Andresen (2010:436) included expatriates from 33 host countries, and found China to have the highest percentage of expatriates. These findings

differ from those of McNulty (2012:423), who found Europe to be the most common host-country region.

**Table 5.4** Trailing Spouses' Host Continent

Continent	Frequency	Percent	Valid Percent	Cumulative Percent
Africa	76	34.9	35.0	35.0
Asia	88	40.4	40.6	75.6
Europe	27	12.4	12.4	88.0
North America	16	7.3	7.4	95.4
Oceania	1	0.5	0.5	95.9
South America	9	4.1	4.1	100.0
<i>Total</i>	<i>217</i>	<i>99.5</i>	<i>100.0</i>	
<i>Missing</i>	1	0.5		
<b>Total</b>	218	100.0		

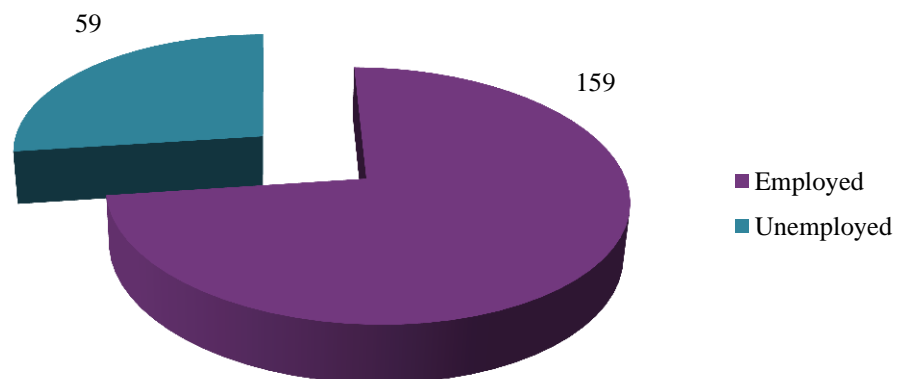
Figure 5.7 Graphical Illustration of the Dispersion of Trailing Spouses on Assignment across the Globe



### 5.2.9. Trailing Spouses' Employment Status Prior to the Assignment

Figure 5.8 shows that 159 respondents (72.9 percent) included in the study were employed in their home countries prior to the expatriate assignment. This is consistent with findings from the study by McNulty (2012:428), who found that 79 percent of spouses had had a career prior to relocating to the host country. On the other hand, Luring and Selmer (2010:61) discuss a study that found that 54 percent of spouses were employed prior to the assignment, while Haslberger and Brewster (2008:324-330) found that 60 percent of trailing spouses were employed before the international assignment. Although the findings of the latter two are inconsistent with those of this study and those of McNulty (2012:428); they emphasise the fact that the majority of spouses were employed prior to the expatriate assignment.

**Figure 5.8 Employment Status of Expatriate Trailing Spouses Prior to the Assignment**



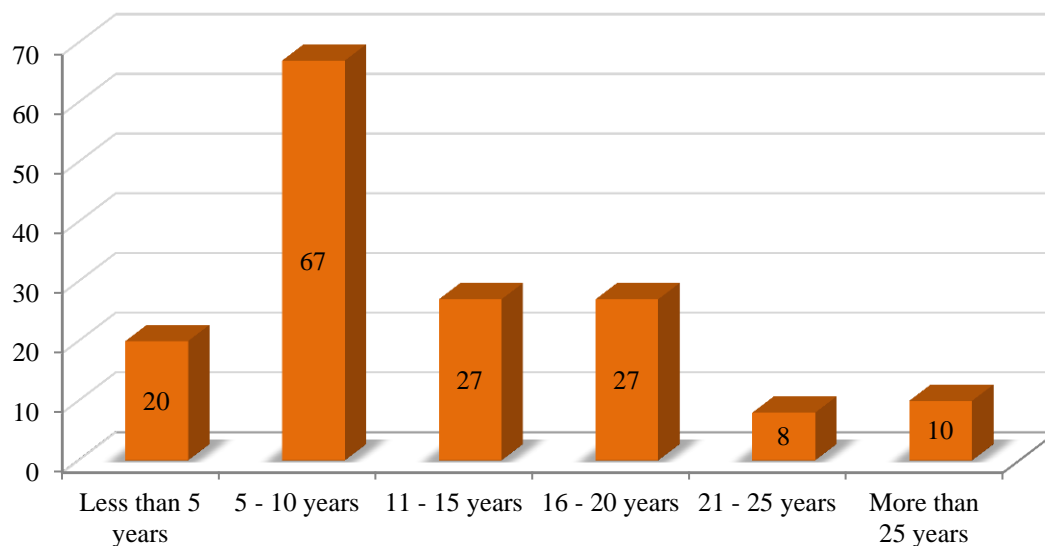
As can be seen from Table 5.5, 23.1 percent of those trailing spouses who were employed prior to the assignment held middle-management positions, while 16.7 percent were in top management positions. As shown in Figure 5.10, of these spouses who were employed prior to the assignment, 18.1 percent were employed in the professional, scientific and technical industry; 17.4 percent in education, and 11.6 percent held positions within the human health and social work industry.

**Table 5.5 Spouses' Position in their Home-country Enterprise**

Level	Frequency	Percent	Valid Percent	Cumulative Percent
Administration	22	10.1	14.1	14.1
First-line management / Supervisor	23	10.6	14.7	28.8
Middle management	36	16.5	23.1	51.9
Top management / Executive	26	11.9	16.7	68.6
Other ( <i>Self employed, teacher etc.</i> )	49	22.5	31.4	100.0
<i>Total</i>	<i>156</i>	<i>71.6</i>	<i>100.0</i>	
<i>Missing</i>	62	28.4		
<b>Total</b>	218	100.0		

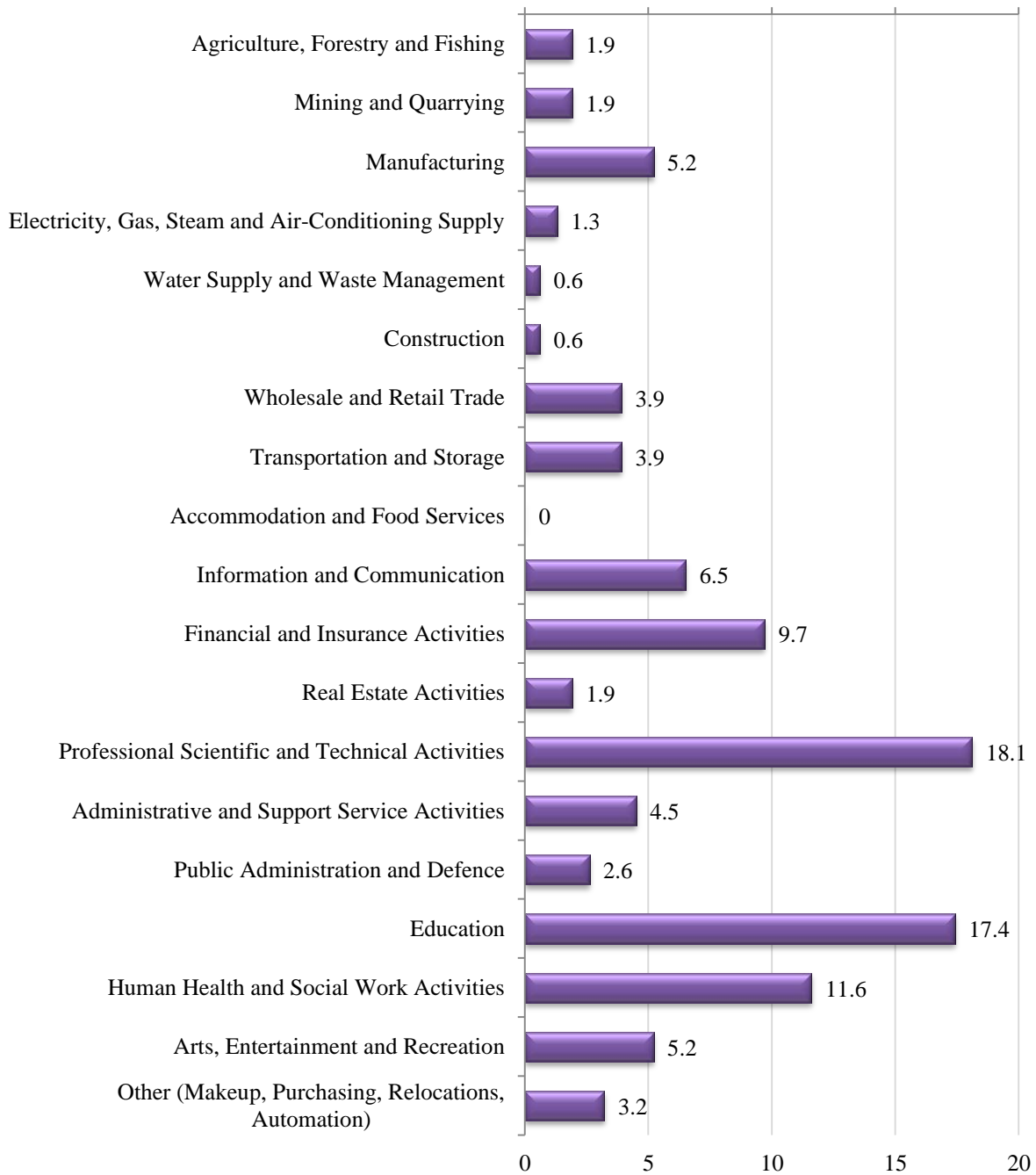
Figure 5.9 shows that the majority (67 respondents or 42.1 percent) of respondents who were employed prior to the expatriate assignment had had between five and ten years' working experience in their respective industries.

**Figure 5.9 Spouses' Years of Experience in the Industry**





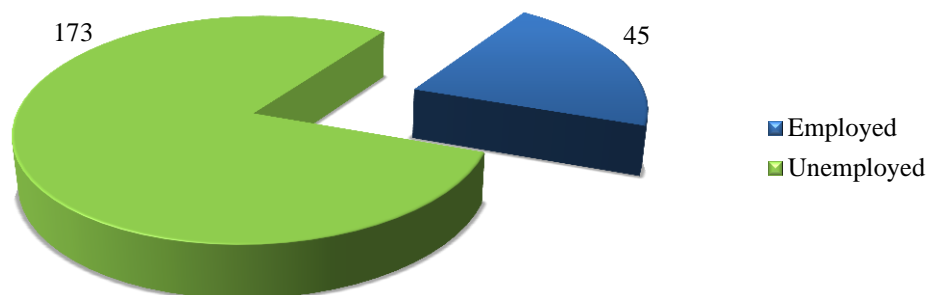
**Figure 5.10 Trailing Spouses' Industry of Employment Prior to the Assignment**



### 5.2.10. Trailing Spouses' Employment Status while on Assignment

When looking at Figure 5.11, one can see that only 20.6 percent of the respondents (45 spouses in the sample of 218) were employed while on assignment. This supports a study by Haslberger and Brewster (2008:324-330) who found that only 21 percent of spouses were employed during the assignment, while Van Erp *et al.* (2011a:64) found that only 24.3 percent were employed in the host country. Furthermore, of the 24.3 percent who did have paid jobs, only 8 respondents worked full time, and most of them felt that their work was below their education level. These findings are contested by McNulty (2012:428) who found that despite their education level, only 36 percent of spouses were able to find suitable employment in the host country due to visa and work permit restrictions. This lack of dual-career support led to deep resentment for their having sacrificed their jobs to support their partner's career.

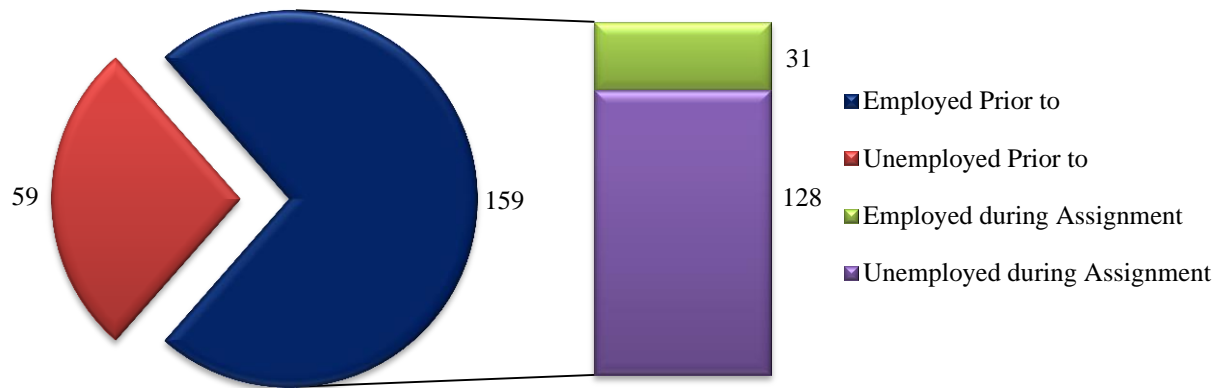
**Figure 5.11 Spouses' Employment Status while on Assignment**



### 5.2.11. Trailing Spouses Employment Status prior to the Assignment versus Status during the Assignment

As can be seen in Figure 5.12 below, only 31 (19.5 percent) of respondents who were employed prior to the assignment were also employed in the host country, and only four of these were employed by the same enterprise in both cases. Wiese (2013:3) refers to a 2011 report by Brookfield Global Relocation Services, which reported similar results; of the 60 percent of spouses who had been employed prior to the assignment, only 12 percent were employed in the host country.

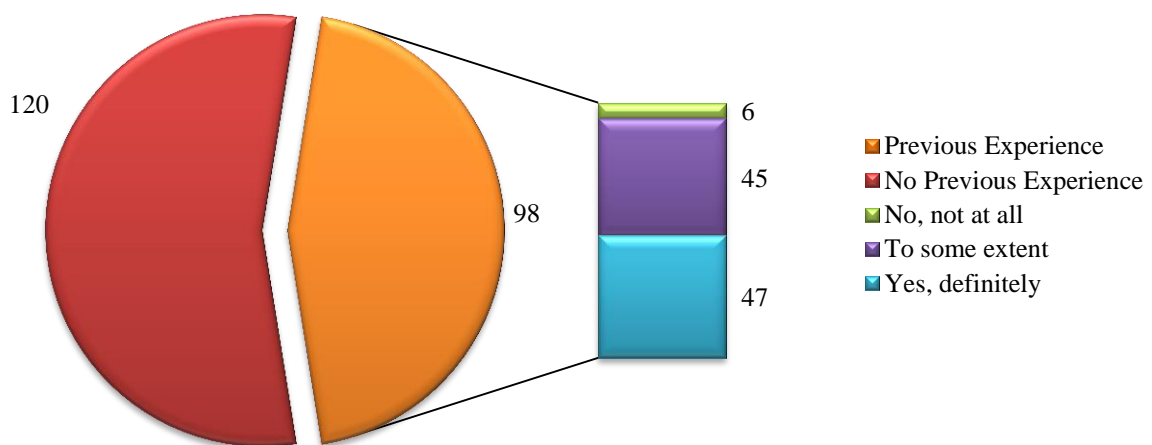
**Figure 5.12 Employment Status Prior to the Assignment Compared with Employment Status in the Host Country**



**5.2.12. Spouses’ Previous International Experience**

When looking at Figure 5.13, one can see that 98 of the accompanying spouses had previously lived outside of their home country, but not on an official expatriate assignment. Of those 98 respondents who had had previous international experience, 47 felt that this experience had definitely assisted them to adjust better to their partner’s current assignment; 45 felt that it had assisted them to some extent; while only 6 felt that it did not help them at all.

**Figure 5.13 Trailing Spouses’ Previous International Experience and its Assistance with Current Adjustment**



One spouse who felt that her experience had been beneficial mentioned that if she had not backpacked for 18 months and become self-reliant, she would not have coped with the trailing-spouse experience. Another mentioned that they had a lot more time together as a family in the host country, which aided in their adjustment. Two of these spouses had knowledge of the host culture, as they had either been born in the host country or had travelled as a child, due to their parents' jobs. Those respondents (two spouses) who had previously lived abroad because they wanted to travel (and not because they had to) found it easier to adjust to a new country. A few respondents (three spouses) who said that their previous experience had definitely assisted them with their current assignment acknowledged that one's first expatriate assignment is a steep learning curve, and that even though each move is uniquely difficult, the more overseas experience you have, the easier the adjustment process becomes.

Of those spouses who indicated that their previous international experiences had, to some extent, assisted them with their current assignment, one had lived abroad as a child, another had lived in six different countries, while another pointed out that the couple had not had children at the time of previous moves, which had made adjustment easier; "travelling alone as a couple and then as a family is quite different". One of the respondents mentioned that they were now able to cope with the distance from family and friends, as they had dealt with it before.

Two of the respondents explained that they struggled to adjust because they were not currently employed in the host country. One stated: "In other experiences of living abroad, I had gone to the country to work and so my activities were structured by my employment. Being a trailing spouse is harder to adapt to, as you do not have the structure that a job provides in adapting to a new place." A statement from a male trailing spouse: "Last time I accompanied my wife to France for two years, but it was when she was a student. Living and working in the country has been a totally different and more arduous experience."

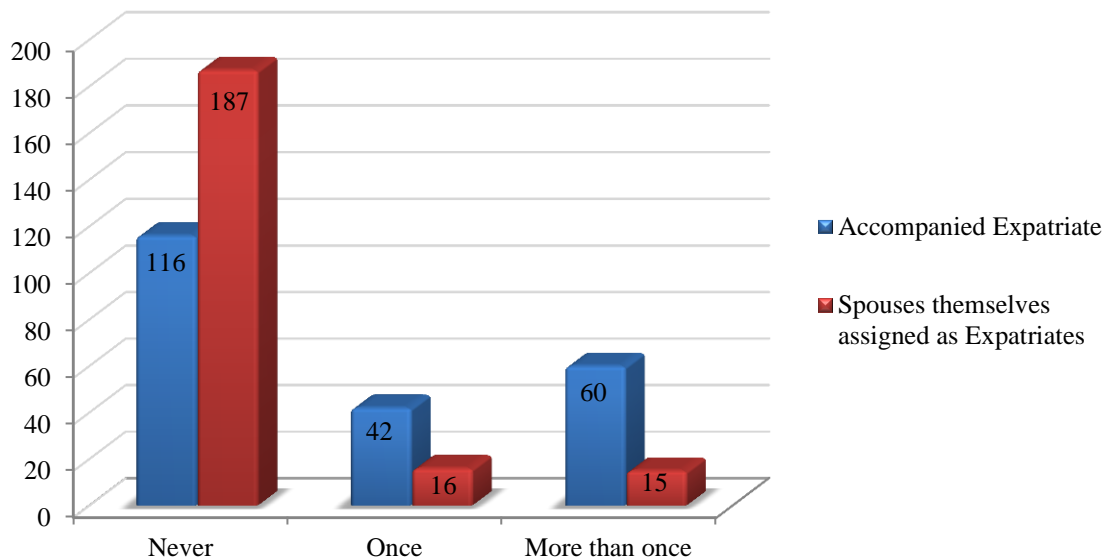
Of the six respondents in this study who felt that their previous experience had not assisted in their adjustment, one attributed this to the fact that she had been studying and they did not have children at the time. The following quote from another respondent summarises the difference between her previous international experience and being a trailing spouse: "Relocating and being in control of one's own destiny and purpose is very different to being a trailing spouse."

According to Andreason (2008:385), previous international experience reduces culture shock and facilitates one’s adjustment in the host country. This is because experience enables one to develop relocation skills, which reduce the uncertainty associated with such a move. Trailing spouses included in a study by Bikos *et al.* (2007:43) described their previous international experience as the best preparation for moving to the host country.

### 5.2.13. Previous Expatriate Experiences

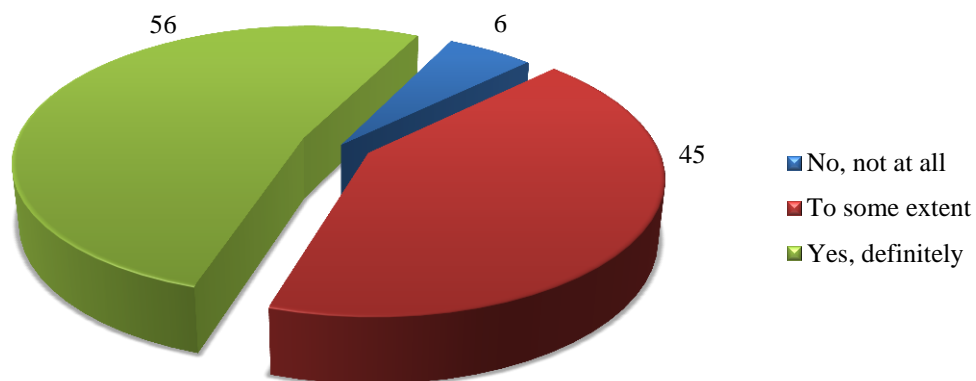
As can be seen from Figure 5.14, 102 spouses had previously accompanied their partners on single or multiple assignments, and 31 had themselves previously been assigned to one or more expatriate assignments.

**Figure 5.14 Trailing Spouses’ Previous Expatriate Experience**



Of the respondents who had had some form of previous expatriate experience (either assigned as an expatriate themselves or previously accompanying an expatriate), six felt that this had not helped them at all with their adjustment to the expatriates’ current assignment, as can be seen in Figure 5.15 below. Three of these spouses had accompanied their partners on more than one expatriate assignment, and two of these had themselves also been assigned to multiple expatriate assignments.

**Figure 5.15 Trailing Spouses' Previous Expatriate Experience and its Assistance with Current Assignment Adjustment**



Note: The figure above does not represent the full sample of spouses who had previous expatriate experience (110 spouses), as three did not complete the follow-up question on whether or not this experience had assisted them with adjusting to their current assignment.

Many of the 56 spouses who felt that their previous expatriate experience had definitely assisted them stated that even though the transition was difficult; previous experience made adjustment easier. These spouses knew how the relocation process worked; they were aware of the positives and negatives of an expatriate assignment, understood the inevitable frustrations and difficulties, and were able to cope with packing up their household and leaving behind their friends and family. “The first assignment is the toughest as it is such a steep learning curve. The next assignment is a bit easier if the host country does not pose any extra or unexpected stressors.”

Of the 51 spouses who felt that their previous expatriate experience had either assisted to some extent or not at all with their adjustment; being a full-time expatriate wife was one of the most common reasons why spouses struggled to adjust. Taking on the housewife role was difficult, especially for those trailing spouses who had been employed in previous host countries. The following quote is from a spouse who had not only accompanied her partner on an expatriate assignment but had also been an expatriate manager herself. She felt that neither of these experiences had assisted her at all with her adjustment to the current assignment: “I think that women are generally expected to just accept a secondary role and make compromises to support their partner's career. When I relocated with my own

employer, my husband would never have been expected to stay at home and we would not have gone to a country where he couldn't work or pursue his career.”

#### 5.2.14. Trailing Spouses' Duration of Time Living in the Host Country

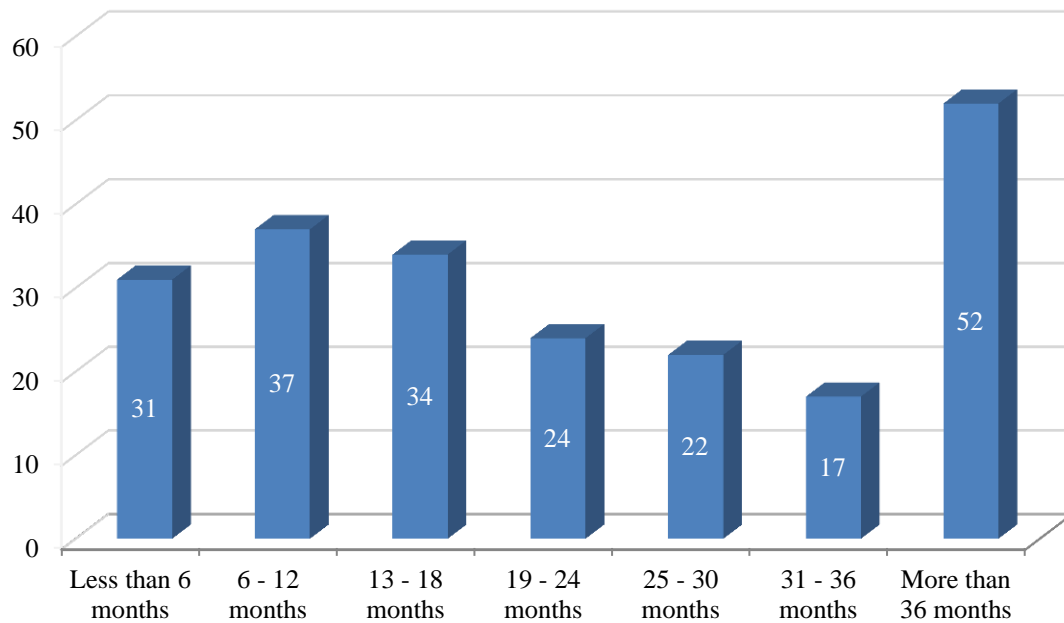
Short-term assignments usually last for a period less than three months; extended assignments can last up to a year; while long-term expatriate assignments typically last from two to five years (Konopaske & Werner, 2005:1161; Stroh *et al.*, 2000:681). According to Doherty *et al.* (2011:596) and Thomas (in Els, 2007:11), expatriate managers are usually accompanied by their families on international assignments, which typically last for a period of three to five years.

As can be seen from Table 5.6, 14.3 percent of spouses had been in the host country for less than 6 months, while 17.1 percent of respondents had been in the host country between 6 and 12 months, 26.8 percent of spouses had been in the host country for a period of between 13 and 24 months and 41.9 percent of respondents for more than two years.

**Table 5.6 Time Elapsed Since the Start of the Current Assignment**

Time in months	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 6 months	31	14.2	14.3	14.3
6–12 months	37	17.0	17.1	31.4
13–18 months	34	15.6	15.7	47.1
19–24 months	24	11.0	11.1	58.2
25–30 months	22	10.1	10.1	68.3
31–36 months	17	7.8	7.8	76.1
More than 36 months	52	23.9	24.0	100.0
<i>Total</i>	<i>217</i>	<i>99.5</i>	<i>100.0</i>	
<i>Missing</i>	1	0.5		
<b>Total</b>	218	100.0		

**Figure 5.16 Time Elapsed Since the Start of the Current Assignment**



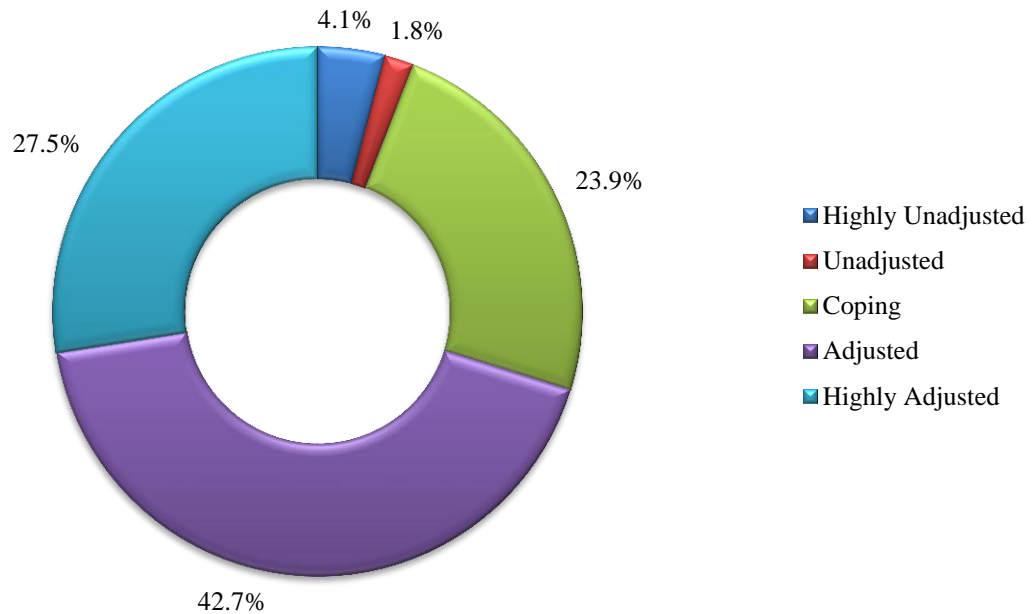
**5.2.15. Level of Adjustment in the Host Country**

As can be seen from Figure 5.17, the majority of spouses (42.7 percent) felt they had adjusted, followed by 27.5 percent who felt highly adjusted in their host countries, while 23.9 percent said they were coping.

Of the nine spouses who felt highly unadjusted, three had been living in the host country for 12 months or less, three for a period of 13 to 24 months, one for 30 months; the remaining two spouses had lived in the country for more than three years (37 months in Canada and 6 years in the UAE respectively). Three of the four spouses who felt unadjusted had been living in the host country for less than one year (two of these for one month or less), while the fourth had resided in the host country for three years.



**Figure 5.17 Spouses' Level of Adjustment in the Host Country**



The Lysgaard U-Curve theory explains an expatriate's level of adjustment as a function of time in the host country. According to this theory, expatriates and their families' gradually start to recover from the initial culture shock and begin to accept and adjust to the cultural differences around the four- to six-month mark. According to this theory, expatriates and their families can take between four and twenty-four months to feel adjusted (Black & Mendenhall, 1991:226; Church, 1982:541; Littrell *et al.*, 2006:364; Thomas in Els, 2007:12).

Spouses in this study who felt adjusted or highly adjusted to the host country were asked to indicate how long it took them to feel this way. As can be seen from Table 5.7, the majority of respondents (36.6 percent) took between three and six months to feel adjusted, followed by 30.3 percent who took seven to 12 months; with only six spouses taking longer than two years. With 84.8 percent of trailing spouses feeling adjusted after 12 months in the host country, these adjustment periods are slightly shorter than those in Lysgaard's U-Curve theory.

**Table 5.7 Length of Time to Feel Adjusted**

Length of Time	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 3 months	26	11.9	17.9	17.9
3–6 months	53	24.3	36.6	54.5
7–12 months	44	20.2	30.3	84.8
13–18 months	9	4.1	6.2	91.0
19–24 months	7	3.2	4.8	95.9
Longer than 24 months	6	2.8	4.1	100.0
<i>Total</i>	<i>145</i>	<i>66.5</i>	<i>100.0</i>	
<i>Missing</i>	73	33.5		
<b>Total</b>	218	100.0		

#### 5.2.16. Spouses' Proficiency in the Host Language Prior to the Assignment

As shown in Table 5.8, 51.4 percent of respondents were unable to speak the host language at all prior to departure, 11.1 percent had a limited proficiency and only 22.7 percent were able to speak, read and write the language fluently.

This is of concern, considering that Bikos *et al.* (2007:51) found that language training was the most important aspect of preparation for expatriate spouses. Spouses depend more on their skills and ingenuity than the expatriate, as they often deal directly with host nationals who cannot speak their language or who have not met foreigners before (Andreason, 2008:387). Spouses who have acquired at least a basic repertoire in the host language have been found to have a more positive experience during the assignment than those who made no effort to learn the host language (Andreason, 2008:387).

**Table 5.8 Proficiency in the Host Language Prior to the Assignment**

Understanding	Frequency	Percent	Valid Percent	Cumulative Percent
Could not speak the language at all	111	50.9	51.4	51.4
Could speak and understand the language in a very limited way	24	11.0	11.1	62.5
Could understand the language used in everyday situations	8	3.7	3.7	66.2
Could communicate in a range of everyday social and travel contexts	7	3.2	3.2	69.4
Could speak the language with confidence	12	5.5	5.6	75.0
Could use the language in a range of culturally appropriate ways	5	2.3	2.3	77.3
Could speak, read and write the language with fluency and ease	49	22.5	22.7	100.0
<i>Total</i>	<i>216</i>	<i>99.1</i>	<i>100.0</i>	
<i>Missing</i>	<i>2</i>	<i>0.9</i>		
<b>Total</b>	<b>218</b>	<b>100.0</b>		

### 5.2.17. Expatriate's Position within the Enterprise

From Table 5.9 and Figure 5.18, it can be seen that the largest number of expatriates represented in this study were in top management positions (58.3 percent), followed by middle management on 27.5 percent. This is supported by other studies which found that the majority of expatriates were working in management positions (Bhanugopan & Fish, 2006:458; Bhaskar-Shrinivas, Harrison, Shaffer & Luk, 2005:264). The figures in Table 5.9 indicate that 85.8 percent of expatriates held middle or top management positions, which is in line with a study by Vogel (2006:140), who found that 87.69 percent were in middle management positions or higher.

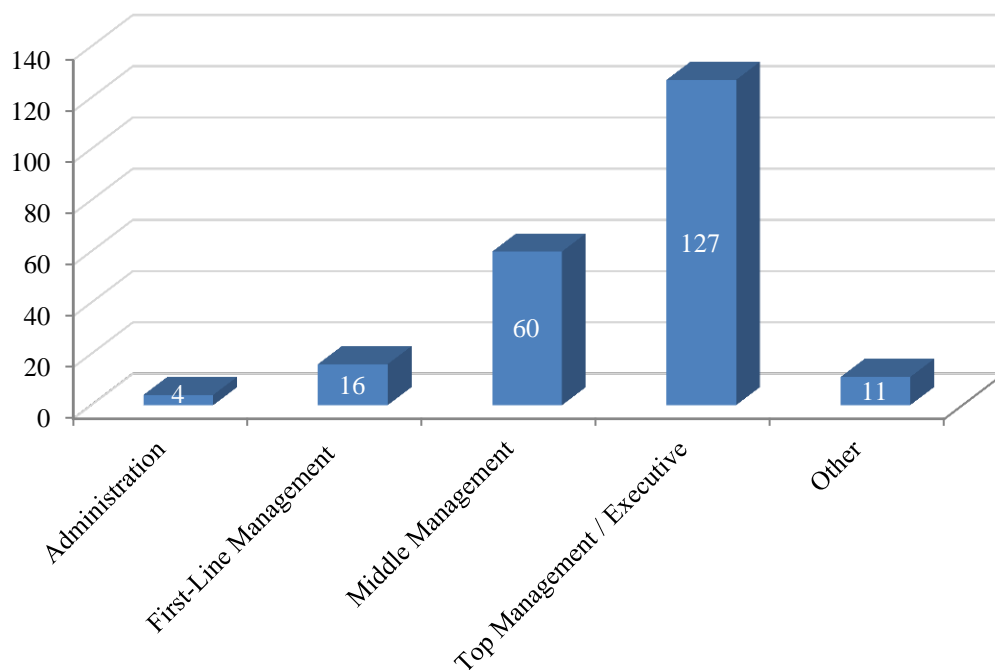
A study by Harvey (1995:234) found that there was a significant difference between the support provided to trailing spouses of supervisors and that provided to the spouses of their middle-management counterparts. The results indicated that there was a high degree of

support provided to spouses of executive and middle managers, while spouses of expatriates at a supervisory level were found to receive 50 percent less assistance during the assignment.

**Table 5.9 Expatriates' Position within the Enterprise**

Position	Frequency	Percent	Valid Percent	Cumulative Percent
Administration	4	1.8	1.8	1.8
First-Line Management / Supervisor	16	7.3	7.3	9.2
Middle Management	60	27.5	27.5	36.7
Top Management / Executive	127	58.3	58.3	95.0
Other (Scientist, Freelancer, Teacher, Analyst)	11	5.0	5.0	100.0
<b>Total</b>	218	100.0		

**Figure 5.18 Expatriates' Position within the Enterprise**



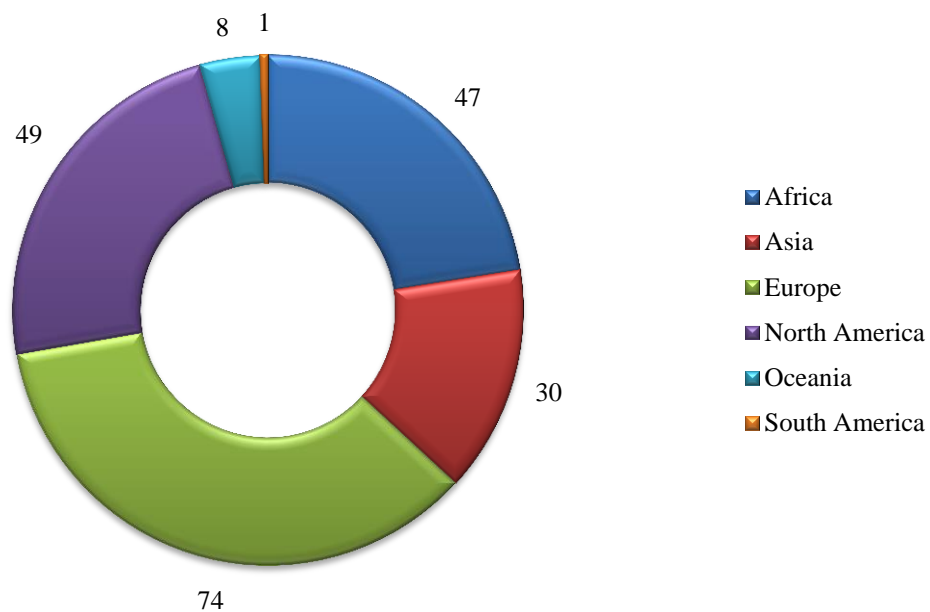
### 5.2.18. Head Office Location

From Table 5.10 it can be seen that a large portion (35.4 percent) of enterprises by which these trailing spouses' partners were employed were based in Europe. Of the expatriates, 23.4 percent had been assigned by enterprises with their headquarters in North America, and 22.5 percent by enterprises headquartered in Africa.

**Table 5.10 Location of the Enterprise's Head Office**

Location	Frequency	Percent	Valid Percent	Cumulative Percent
Africa	47	21.6	22.5	22.5
Asia	30	13.8	14.4	36.9
Europe	74	33.9	35.4	72.3
North America	49	22.5	23.4	95.7
Oceania	8	3.7	3.8	99.5
South America	1	0.5	0.5	100
<i>Total</i>	<i>209</i>	<i>96</i>	<i>100</i>	
<i>Missing</i>	9	4		
<b>Total</b>	218	100.0		

**Figure 5.19 Location of the Enterprise's Head Office**



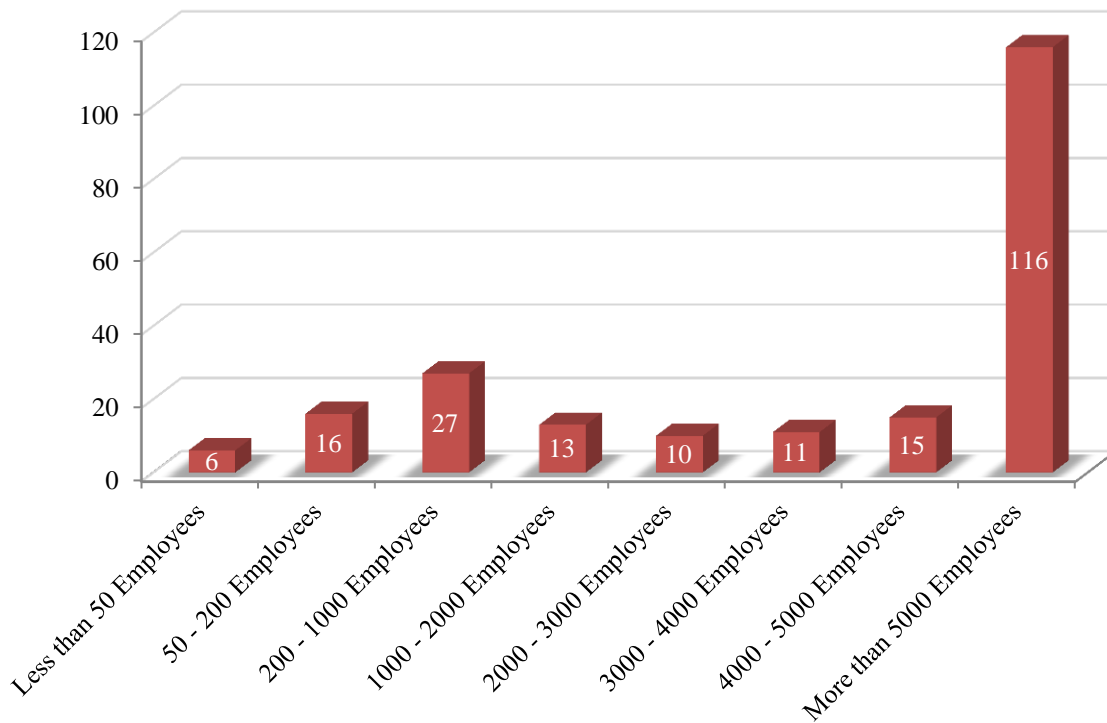
### 5.2.19. Size of the Multinational Enterprise

As can be seen from Table 5.11, 116 (54.2 percent) of the respondents were accompanying expatriates who had been assigned by an enterprise with more than 5000 employees, while only 6 respondents (2.8 percent) were accompanying expatriates employed by enterprises with fewer than 50 employees.

**Table 5.11 Size of the Multinational Enterprise in Employee Numbers**

Number of employees	Frequency	Percent	Valid Percent	Cumulative Percent
Fewer than 50	6	2.8	2.8	2.8
50–200	16	7.3	7.5	10.3
200–1000	27	12.4	12.6	22.9
1000–2000	13	6.0	6.1	29.0
2000–3000	10	4.6	4.7	33.6
3000–4000	11	5.0	5.1	38.8
4000–5000	15	6.9	7.0	45.8
More than 5000	116	53.2	54.2	100.0
<i>Total</i>	<i>214</i>	<i>98.2</i>	<i>100.0</i>	
<i>Missing</i>	4	1.8		
<b>Total</b>	218	100.0		

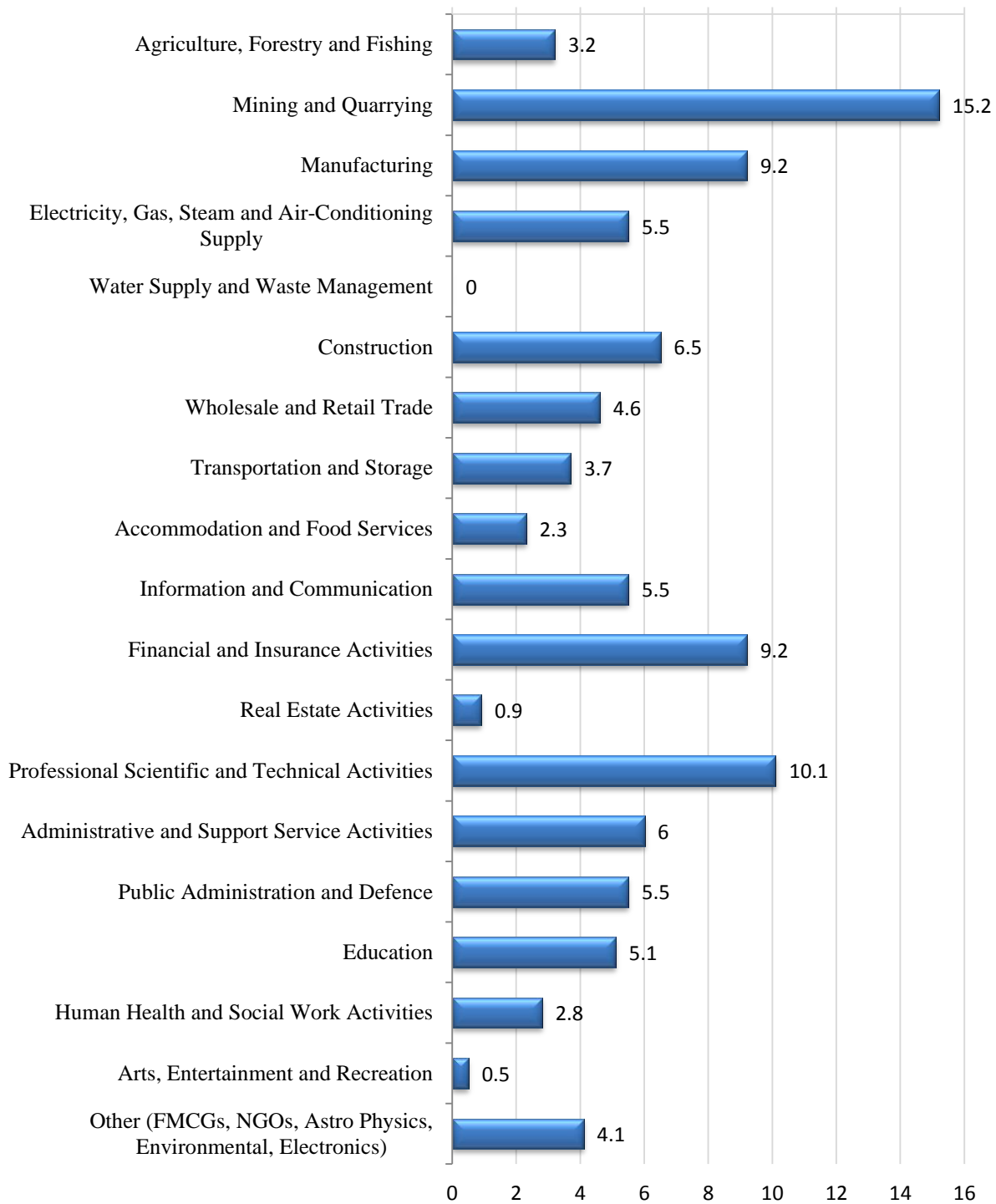
**Figure 5.20 Size of the Multinational Enterprise in Employee Numbers**



### 5.2.20. Expatriates' Industry of Employment

Expatriate employees whose accompanying spouses took part in this research worked across 18 industries, as shown in Table 5.13 and Figure 5.21. Of these expatriates, 15.2 percent worked in the mining and quarrying industry, while 10.1 percent worked in the professional, scientific and technical industry, followed by 9.2 percent in manufacturing as well as in the financial and insurance industries.

**Figure 5.21 Expatriates' Industry of Employment**





### 5.3. DATA REDUCTION ANALYSIS

Factor analysis describes the computational techniques used to examine patterns of relationship among select variables, with the objective of creating a more manageable number of variables (data reduction), based on the nature and character of these relationships (Cooper & Schindler, 2011:545; Zikmund *et al.*, 2013:595).

In this study *Preparation* (questions 26–30), *Training* (questions 31–34) and *Support* (questions 35–47) were listed as constructs, and respondents had to rate their level of agreement on a four-point Likert scale. More specifically, respondents were asked whether or not they required each type of preparation, training and support and whether or not they were provided with each type by the enterprise.

As there was uncertainty about how many factors existed within each construct, an exploratory factor analysis was conducted to determine whether each construct represented a single or multiple factors. The number of factors in each construct was determined by eigenvalues greater than one, while the loading for each variable was analysed to decide how the variables should be classified under each factor. Eigenvalues are the sum of the variances of the factor values. When an eigenvalue is divided by the number of variables, it yields an estimate of the amount of total variance explained by the factor (Cooper & Schindler, 2011:547).

Based on the eigenvalues, one factor emerged each for *Preparation required* and *Preparation provided* prior to departure and one factor for *Training required* and one for *Training provided* prior to the assignment. Two factors emerged each for the *Support required* and the *Support provided* by the MNE during the assignment. Each variable under Support required and Support provided was classified under the factor in which it loaded the highest. In situations where there was a double loading, the researcher used her discretion to decide under which factor the variable should be classified, or whether or not it should be eliminated altogether. However, no variables had to be eliminated due to double loading or low loadings (loadings smaller than 0.300). The results for each construct are discussed in the sections below.

#### 5.3.1. Preparation Required by Trailing Spouses Prior to Departure

Trailing spouses should be prepared for the assignment and the foreign environment that they will encounter before they leave their home country. If trailing spouses are involved in pre-

departure preparation programmes they will be more prepared upon their arrival in the host country and will adjust quicker to the foreign lifestyle, decreasing the probability of expatriate failure (Cherry, 2010:133; Dewald & Self, 2008:357; Purgal-Popiela, 2011:39).

As can be seen from Table 5.13, this factor is made up of five variables, with these five variables accounting for 57.03 percent of the total variance in the data space (see Table 5.12). This factor was named *Preparation Required*, as it represents what trailing spouses felt they needed from the enterprise prior to their departure in order to be prepared for the international assignment.

**Table 5.12 Eigenvalues and Variance Explained for Preparation Required**

Factor 1	Eigenvalue	Variance explained by individual factors	Cumulative Variance
Preparation Required	2.851	57.03 %	57.03 %

**Table 5.13 Factor Matrix for Preparation Required by Trailing Spouses**

Question Numbers	Variables	Factor 1
29	Information sessions covering cultural differences between the home and host countries (for example, eating habits, festivities, housing, schooling and safety concerns)	0.857
28	Detailed reading material on the host country (for example its history, economy and customs)	0.837
27	Contact with spouses already on assignment in the host country	0.595
30	Orientation visit to the host country prior to departure	0.591
26	Advance notice of relocation to allow for sufficient preparation	0.460

### 5.3.2. Preparation Provided to Trailing Spouses Prior to Departure

The need for preparation programmes is emphasised throughout the literature (Bikos *et al.*, 2007:36; Cherry, 2010:133; Dewald & Self, 2008:35). Programmes that include information and training regarding the country, its language, culture and living standards, are paramount in the spouses' adjustment and therefore vital for expatriate success. Despite the significance of such spousal preparation programmes, the literature indicates that the majority of trailing

spouses are not prepared for their relocation to the host country before they depart on the assignment, and enterprises are reluctant to provide such preparation.

As can be seen from Table 5.15, this factor is made up of five variables which account for 51.22 percent of the total variance in the data space (see Table 5.14). This factor was named *Preparation Provided*, as it represents preparation initiatives that trailing spouses felt were provided to them by the enterprise prior to their departure.

**Table 5.14 Eigenvalues and Variance Explained for Preparation Provided**

Factor 1	Eigenvalue	Variance explained by individual factors	Cumulative Variance
<b>Preparation Provided</b>	2.561	51.22 %	51.22 %

**Table 5.15 Factor Matrix for Preparation Provided to Trailing Spouses**

Question Numbers	Variables	Factor 1
29	Information sessions covering cultural differences between the home and host countries (for example, eating habits, festivities, housing, schooling and safety concerns)	0.803
28	Detailed reading material on the host country (for example its history, economy and customs)	0.781
27	Contact with spouses already on assignment in the host country	0.593
30	Orientation visit to the host country prior to departure	0.497
26	Advance notice of relocation to allow for sufficient preparation	0.395

### 5.3.3. Training Required by Trailing Spouses Prior to the Assignment

The need for cultural and language training is emphasised throughout the literature, as it increases the spouses' confidence in the assignment, reduces their uncertainty, and enables them to find employment and form friendships, all of which ease their adjustment in the host country. Without training spouses may feel alienated and alone in the host country, which often inhibits their adjustment, leading to unhappiness and ultimately expatriate failure (Cho *et al.*, 2013:1053; Gupta *et al.*, 2012b:18; Jenkins & Mockaitis, 2010:2696; Konopaske & Werner, 2005:1161).

From Table 5.17 it can be seen that this factor is made up of four variables which account for 73.25 percent of the total variance in the data space (see Table 5.16). This factor was named *Training Required*, as it encompasses the training elements that trailing spouses felt should be provided by the enterprise in order for them to adjust successfully in the host country.

**Table 5.16 Eigenvalues and Variance explained for Training Required**

Factor 1	Eigenvalue	Variance explained by individual factors	Cumulative Variance
<b>Training Required</b>	2.930	73.25 %	73.25 %

**Table 5.17 Factor Matrix for Training Required by Trailing Spouses**

Question Numbers	Variables	Factor 1
33	Training regarding similarities and differences between the home and host countries' objective characteristics (for example, currency, political system, architecture)	0.940
34	Training regarding similarities and differences between the home and host cultures' subjective characteristics (for example, social behaviour, lifestyles, customs, values and belief systems)	0.914
32	Language manuals, tapes, CDs, dictionaries etc.	0.657
31	Basic courses in the host language prior to departure	0.590

#### 5.3.4. Training Provided to Trailing Spouses Prior to the Assignment

MNEs should dedicate sufficient resources to the training of trailing spouses, as the spouses' inability to adapt in the host country has been found to be the primary cause of expatriate failure. Despite this, most spouses do not receive relevant training from the enterprise; many managers believe that training for expatriates and their spouses is an expensive, time-consuming and often ineffective process (Gupta *et al.*, 2012b:17-21; Rosenbusch & Cseh, 2012:63; Sims & Schraeder, 2004:76).

Table 5.19 indicates that this factor is made up of four variables, which account for 76.24 percent of the total variance in the data space, as shown in Table 5.18. This factor was named *Training Provided*, as it encompasses the training elements that trailing spouses felt were provided to them by the expatriates' enterprise.

**Table 5.18 Eigenvalues and Variance Explained for Training Provided**

Factor 1	Eigenvalue	Variance explained by individual factors	Cumulative Variance
Training Provided	3.050	76.24 %	76.24 %

**Table 5.19 Factor Matrix for Training Provided to Trailing Spouses**

Question Numbers	Variables	Factor 1
33	Training regarding similarities and differences between the home and host countries' objective characteristics (for example, currency, political system, architecture)	0.956
34	Training regarding similarities and differences between the home and host cultures' subjective characteristics (for example, social behaviour, lifestyles, customs, values and belief systems)	0.927
32	Language manuals, tapes, CDs, dictionaries etc.	0.703
31	Basic courses in the host language prior to departure	0.652

### 5.3.5. Support Required by Trailing Spouses

Trailing spouses find enterprise-provided support programmes critical in helping them establish friendships with other spouses and locals, gain a deeper understanding of the host country and culture, form a new identity, further their career and stay in contact with friends and family back home (Andreason, 2008:389; Gupta *et al.*, 2012b:18).

As can be seen from Tables 5.20, the *Support Required* construct is made up of two factors, with a cumulative variance explained of 65.56 percent. Table 5.21 shows that factor one consists of six variables, which account for 55.73 percent of the total variance in the data space (as seen in Table 5.20). Factor one was called *Vocational Support Required*, as it summarises what trailing spouses felt they needed from the enterprise during the assignment in order to advance their career and prepare them for repatriation. Factor two consists of seven variables, accounting for 9.83 percent of the total variance in the data space. Factor two was called *Social Support Required*, as it describes social activities (involving spousal networks and host-national interactions) which trailing spouses felt should be initiated by the enterprise to assist with their adjustment during the assignment.

**Table 5.20 Eigenvalues and Variance Explained for Support Required**

Factors	Eigenvalue	Variance explained by individual factors	Cumulative Variance
<b>Factor 1: Vocational Support Required</b>	7.245	55.73 %	55.73 %
<b>Factor 2: Social Support Required</b>	1.278	9.83 %	65.56 %

**Table 5.21 Pattern Matrix for Support Required by Trailing Spouses**

Question Numbers	Variables	Factors	
		1	2
44	Employment assistance through formal recommendations	0.948	0.000
43	Employment assistance within the enterprise	0.865	0.000
41	Employment counselling in the host country	0.822	0.000
46	Compensation for lost wages	0.677	0.000
45	Financial support for further education	0.674	0.000
47	Repatriation debriefing and counselling in preparation for the return home	0.519	0.000
40	Coach or mentor during the assignment	0.457	0.387*
38	Introductions into expatriate spousal social networks in the host country	0.000	0.994
35	Tour of the host country on arrival	0.000	0.765
39	Club memberships (sport, cooking, hobby or social clubs)	0.000	0.753
37	Introductions to host nationals (locals) on arrival	0.000	0.693
42	Enterprise-provided visas, work permits etc. for the host country	0.000	0.545
36	Accommodation within an expatriate community / compound in the host country	0.000	0.535

\* Variable loaded the highest under Factor 1; however 'coach or mentor', in the context of the trailing spouse, fits better with Factor two – Social Support. Variable 40 was therefore included under factor two.

### 5.3.6. Support Provided to Trailing Spouses

Expatriates often refuse an international assignment due to the negative effects it may have on their spouse's career (Brown, 2008:1019; Cho *et al.*, 2013:1053; Fischlmayr & Kollinger, 2010:458). Many studies have found that enterprises rarely assist trailing spouses with employment opportunities in the host country. If spouses do not find meaningful work in the host country they may become bored and frustrated, affecting the expatriate's work performance (Davidson & Kinzel, 1996:109; Kupka & Cathro, 2007:960; Moore, 2002:63).

As seen in Table 5.22, the *Support Provided* construct is made up of two factors with a cumulative variance explained of 58.15 percent. From Table 5.23 it can be seen that factor one is made up of nine variables, which account for 49.44 percent of the total variance in the data space. This factor was named *Practical Support Provided*, as it encompasses activities initiated by the enterprise in order to help spouses familiarise themselves with their new environment (host country tours and local introductions) and cope with meeting their everyday practical needs. Factor two consists of four variables, accounting for 8.71 percent of the total variance in the data space. Factor two was named *Employment Support Provided*, as it displays the willingness of the enterprise to assist the spouses in obtaining employment in the host country and maintaining their financial stability.

**Table 5.22 Eigenvalues and Variance Explained for Support Provided**

Factors	Eigenvalue	Variance explained by individual factors	Cumulative Variance
<b>Factor 1: Practical Support Provided</b>	6.43	49.44 %	49.44 %
<b>Factor 2: Employment Support Provided</b>	1.13	8.71 %	58.15 %

**Table 5.23 Pattern Matrix for Support Provided to Trailing Spouses**

Question Numbers	Variables	Factor	
		1	2
39	Club memberships (sport, cooking, hobby or social clubs)	0.781	0.000
35	Tour of the host country on arrival	0.780	0.000
38	Introductions into expatriate spousal social networks in the host country	0.676	0.000
37	Introductions to host nationals (locals) on arrival	0.655	0.000
36	Accommodation within an expatriate community / compound in the host country	0.629	0.000
45	Financial support for further education	0.501	0.000
40	Coach or mentor during the assignment	0.492	0.000
47	Repatriation debriefing and counselling in preparation for the return home	0.463	0.000
42	Enterprise-provided visas, work permits etc. for the host country	0.387	0.000
46	Compensation for lost wages	0.348	-0.316*
44	Employment assistance through formal recommendations	0.000	-0.923
43	Employment assistance within the enterprise	0.000	-0.855
41	Employment counselling in the host country	0.334	-0.465

\* Variable loaded the highest under Factor 1; however ‘compensation for lost wages’ fits better with Factor two – Employment Support. Variable 46 was therefore included under factor two.

### 5.3.7. Summary of Data Reduction Analysis Results

Table 5.24 below summarises the results of the exploratory factor analysis for what was required by trailing spouses and what was provided by the enterprise in terms of preparation, training and support.



**Table 5.24 Combined Results of the Exploratory Factor Analysis**

Construct	Factor Description	Eigenvalue	Variance explained by individual factors	Cumulative Variance
Preparation	Preparation Required	2.85	57.03 %	57.03 %
Preparation	Preparation Provided	2.56	51.22 %	51.22 %
Training	Training Required	2.93	73.25 %	73.25 %
Training	Training Provided	3.05	76.24 %	76.24 %
Support	Vocational Support Required	7.245	55.73 %	55.73 %
Support	Social Support Required	1.278	9.83 %	65.56 %
Support	Practical Support Provided	6.43	49.44 %	49.44 %
Support	Employment Support Provided	1.13	8.71 %	58.15 %

#### 5.4. RELIABILITY

Validity and reliability are fundamental elements in the evaluation of a measuring instrument; which cannot be valid unless it is reliable. While validity is concerned with the extent to which an instrument measures what it is supposed to, reliability is concerned with the ability of an instrument to measure consistently. It determines whether or not the measure will yield the same results on different occasions, and whether or not similar observations will be achieved by different researchers on different occasions (Bryman & Bell, 2011:157; Cooper & Schindler, 2011:283; Tavakol & Dennick, 2011:53; Zikmund *et al.*, 2013:305).

##### 5.4.1. Cronbach's Coefficient Alpha

Cronbach's Coefficient Alpha is expressed as a number between 0 and 1 and tests internal consistency by measuring the degree to which instrument items are homogeneous and reflect the same underlying constructs (Bryman & Bell, 2011:159; Cooper & Schindler, 2011:284; Tavakol & Dennick, 2011:53). According to Milfont and Gouveia (2006:76), Segù *et al.* (2005:127) and Tappen (2010:131), a Cronbach's Alpha value that is above 0.70 is regarded as an indication of reliability; thus for this study a minimum Cronbach's Alpha value of 0.70 was taken into account.

As seen in Table 5.25, a Cronbach Alpha value greater than 0.70 was achieved for all of the factors. This indicates that the measuring instrument used in this study can be considered to be reliable.

**Table 5.25 Factor Reliability as Described by the Cronbach Alpha Values**

Factor Description	Cronbach's Alpha	No of Items
Preparation Required	0.808	5
Preparation Provided	0.753	5
Training Required	0.877	4
Training Provided	0.895	4
Vocational Support Required	0.908	6
Social Support Required	0.889	7
Practical Support Provided	0.866	9
Employment Support Provided	0.852	4

## 5.5. REQUIRED VERSUS PROVIDED

The *t*-test is used to determine statistical significance between a sample distribution mean and a parameter, by indicating the number of standard deviations a score is from the mean of a sampling distribution (Cooper & Schindler, 2011:468; Lee & Lings, 2008:356; Saunders *et al.*, 2009:456; Zikmund *et al.*, 2013:517).

As the samples in this study were not independent and the population standard deviation was not known, a dependent samples *t*-test was conducted to determine the difference between the two population means (required vs. provided). The same trailing spouses answered the questionnaire based on what they required and what they received from the enterprise in terms of preparation, training and support prior to and during the assignment.

When analysing the results of the *t*-test for the individual variables it is clear that for all the variables there are statistically significant differences between what was required by trailing spouses and what was provided to them by the MNE. In particular, the mean scores for what

trailing spouses required were found to be higher than the mean scores for what they received for all variables included in this study.

### 5.5.1. Preparation Required versus Preparation Provided

#### 5.5.1.1. Individual *t*-Test Results

On a 95 percent confidence interval, all five of the preparation variables have a *p*-value of  $p < 0.0001$ , indicating statistically significant differences between the preparation required by trailing spouses and the preparation provided to them by the MNE. Thus the mean scores for what was required were greater than the mean scores of what was provided by the MNE (see Table 5.26). These preparation initiatives included advance notice of the assignment, contact with host-country expatriate spouses, reading material, information sessions and orientation visits to the host country.

**Table 5.26 Individual *t*-Test Results for Preparation Required versus Preparation Provided**

No.	Variable	DF	<i>t</i> -value	Pr >   <i>t</i>	Mean Difference	Rank
26	Advance notice of relocation to allow for sufficient preparation	217	8.494	$p < 0.0001^{**}$	0.54128	5
27	Contact with spouses already on assignment in the host country	217	11.150	$p < 0.0001^{**}$	0.88991	4
28	Detailed reading material on the host country (for example its history, economy and customs)	217	12.581	$p < 0.0001^{**}$	1.01835	2
29	Information sessions covering cultural differences between the home and host countries (for example, eating habits, festivities, housing, schooling and safety concerns)	217	13.312	$p < 0.0001^{**}$	1.09174	1
30	Orientation visit to the host country prior to departure	217	11.324	$p < 0.0001^{**}$	0.94037	3

Statistical Significance,  $\alpha^* = 0.05$ , or  $\alpha^{**} = 0.01$

As can be seen in Table 5.26, the variable with the highest mean difference between what was required and what was provided to trailing spouses was ‘Information Sessions’. From this it can be said that information sessions, where enterprises should prepare spouses for the cultural differences between their home and host countries, do not meet the expectations of

trailing spouses. Enterprises should therefore focus more on facilitating appropriate information sessions for the trailing spouses prior to their departure from their home country, as this is where the biggest gap lies. Such sessions would enable spouses to understand what it means to live in the host country and to foresee potential issues that might arise, which should in turn enhance their cross-cultural adjustment (Fish & Wood, 1997:455; Miser, 2010:4; Punnett, 1997:247; Simeon & Fujiu, 2000:597; Yu *et al.*, 2005:191). The mean differences in Table 5.26 also indicate a large discrepancy between what was required and provided in the form of host-country reading material, while the smallest mean difference was for advanced notice of the relocation. This may mean that enterprises are focusing more on the operational aspects of deployment and less on the subjective cultural nuances that are likely to hamper the spouses' adjustment.

#### 5.5.1.2. Paired *t*-Test Results

With a *p*-value of  $p < 0.0001$ , it can be seen from Table 5.27 that there is a statistically significant difference between the mean scores for the preparation required by trailing spouses and the mean scores of the preparation provided to them by the MNE.

**Table 5.27 Paired *t*-Test Results for Preparation Required versus Preparation Provided**

Difference between Variables	DF	<i>t</i> -value	Pr >   <i>t</i>
Preparation Required and Preparation Provided	217	15.705	$p < 0.0001^{**}$

Statistical Significance,  $\alpha^* = 0.05$ , or  $\alpha^{**} = 0.01$

The mean scores for preparation required were higher than the mean scores for preparation provided. Therefore the null hypothesis –  $H_{10}$  stating: “There is no difference between the preparation required by trailing spouses and the preparation provided to them by the multinational enterprise prior to the assignment” – cannot be accepted; while the alternative hypothesis –  $H_{1A}$  stating: “There is a difference between the preparation required by trailing spouses and the preparation provided to them by the multinational enterprise prior to the assignment” – is accepted.

## 5.5.2. Training Required versus Training Provided

### 5.5.2.1. Individual *t*-Test Results

As shown in Table 5.28, on a 95 percent confidence interval all four of the training variables scored a *p*-value of  $p < 0.0001$ , with the mean scores for training required being higher than the mean scores for training provided, thus indicating statistically significant differences between the training required by trailing spouses and the training provided to them.

**Table 5.28 Individual *t*-Test Results for Training Required versus Training Provided**

No.	Variable	DF	<i>t</i> -value	Pr >   <i>t</i>	Mean Difference	Rank
31	Basic courses in the host language prior to departure	217	11.539	$p < 0.0001^{**}$	0.93578	3
32	Language manuals, tapes, CDs, dictionaries etc.	217	11.304	$p < 0.0001^{**}$	0.83486	4
33	Training regarding similarities and differences between the home and host countries' objective characteristics (for example, currency, political system, architecture)	217	14.134	$p < 0.0001^{**}$	1.07339	1
34	Training regarding similarities and differences between the home and host cultures' subjective characteristics (for example, social behaviour, lifestyles, customs, values and belief systems)	217	13.265	$p < 0.0001^{**}$	1.02752	2

Statistical Significance,  $\alpha^* = 0.05$ , or  $\alpha^{**} = 0.01$

As seen in Table 5.28, the largest mean differences between training required and training provided were for objective and subjective cultural training respectively. Enterprises are therefore not providing the cultural training that expatriate spouses feel they require in order to adjust in their host countries. Although Sims and Schraeder (2004:76) discuss the fact that managers believe that pre-departure training for spouses is often ineffective in reducing culture shock, spouses who are prepared for and are aware of the host country's religious, cultural, language, and lifestyle differences will have a mental idea of potential situations that may arise during the assignment. This should reduce their uncertainty and ease their

adjustment in the local environment (Cho *et al.*, 2013:1053; Gupta *et al.*, 2012b:18; Jenkins & Mockaitis, 2010:2696; Smart, 2011:90). MNEs should therefore increase their focus on providing appropriate training programmes customised according to each host country's cultural characteristics.

### 5.5.2.2. Paired *t*-Test Results

Table 5.29 shows a statistically significant difference, at a 95 percent confidence interval, between the mean scores for training required by trailing spouses and the mean scores for the training which was provided to them, with the mean scores for training required being higher than the mean scores for training provided.

**Table 5.29 Paired *t*-Test Results for Training Required versus Training Provided**

Difference between Variables	DF	<i>t</i> -value	Pr >   <i>t</i>
Training Required and Training Provided	217	13.945	p < 0.0001**

Statistical Significance,  $\alpha^* = 0.05$ , or  $\alpha^{**} = 0.01$

As a result the null hypothesis –  $H_{20}$  stating: “There is no difference between the training required by trailing spouses and the training provided to them by the multinational enterprise prior to the assignment” – cannot be accepted; while the alternative hypothesis –  $H_{2A}$  stating: “There is a difference between the training required by trailing spouses and the training provided to them by the multinational enterprise prior to the assignment” – is accepted.

### 5.5.3. Support Required versus Support Provided

#### 5.5.3.1. Individual *t*-Test Results

From the results in Table 5.30, it can be seen that at a 95 percent confidence interval, there are statistically significant differences ( $p < 0.0001$ ) between the support required by trailing spouses and the support provided to them, with the mean scores for support required being higher than the mean scores for support provided.

**Table 5.30 Individual *t*-Test Results for Support Required versus Support Provided**

No.	Variable	DF	<i>t</i> -value	Pr >   <i>t</i>	Mean Difference	Rank
35	Tour of the host country on arrival	217	13.674	p < 0.0001**	1.08257	5
36	Accommodation within an expatriate community/compound in the host country	217	5.973	p < 0.0001**	0.44954	13
37	Introductions to host nationals (locals) on arrival	217	12.591	p < 0.0001**	0.97706	11
38	Introductions into expatriate spousal social networks in the host country	217	13.946	p < 0.0001**	1.17890	2
39	Club memberships (sport, cooking, hobby or social clubs)	217	13.798	p < 0.0001**	1.09174	4
40	Coach or mentor during the assignment	217	13.085	p < 0.0001**	1.05963	8
41	Employment counselling in the host country	217	14.364	p < 0.0001**	1.22936	1
42	Enterprise-provided visas, work permits etc. for the host country	217	6.949	p < 0.0001**	0.55505	12
43	Employment assistance within the enterprise	217	12.763	p < 0.0001**	1.05046	9
44	Employment assistance through formal recommendations	217	14.185	p < 0.0001**	1.11468	3
45	Financial support for further education	217	12.760	p < 0.0001**	1.08257	5
46	Compensation for lost wages	217	12.496	p < 0.0001**	1.06422	7
47	Repatriation debriefing and counselling in preparation for the return home	217	13.181	p < 0.0001**	1.05046	9

Statistical Significance,  $\alpha^* = 0.05$ , or  $\alpha^{**} = 0.01$

As can be seen in Table 5.30, the variable with the highest mean difference between what was required by trailing spouses and what was provided by the enterprise was ‘employment counselling’. Enterprises are therefore not providing spouses with the counselling they feel they need in order to establish or advance their career during the assignment. According to a study by Moore (2002:63), 73 percent of dual-career couples considered spousal employment opportunities a major factor when deciding whether or not to accept an assignment. Only a

quarter of these spouses, in Moore's (2002:63) study, reported having received career assistance from the enterprise, while more than half would like this support.

'Introductions into expatriate spousal networks in the host country' was the variable with the next highest mean difference between what was required and what was provided. MNEs are thus not introducing trailing spouses to host-country spousal networks, which reduce stress levels and aid in coping with change and uncertainty (Copeland & Norell, 2002:255-256; Crowne & Goeke, 2012:10; Harvey & Wiese, 1998b:38). According to Fischlmayr and Kollinger (2010:472), Long (2010:178), and Wilson (2011:18), social networks allow spouses to get feedback and advice, form friendships and share experiences with others.

'Accommodation within an expatriate community/compound in the host country' and 'enterprise-provided visas, work permits etc. for the host country' were the two variables with the lowest mean difference between what was required and what was provided. This is despite many studies (Shaffer & Harrison, 2001:241; Wilson, 2011:38) finding that a lack of meaningful work tends to put unnecessary pressure in the spouse, which crosses over to the expatriate and affects their adjustment. Harvey (1995:234) found that only 29 percent of enterprises assist the trailing spouse with obtaining the necessary work permits in the host country. These findings may indicate that enterprises are focusing more on the practical or living side of the spouses' adjustment and less on the social side.

#### 5.5.3.2. Paired *t*-Test Results

A paired *t*-test was conducted for the preparation and training constructs; however, the test could not be conducted for the support construct, as the two factors making up the *Support Required* construct and the two factors making up the *Support Provided* construct were not the same. As a result the support hypothesis –  $H_{30}$  stating: "There is no difference between the support required by trailing spouses and the support provided to them by the multinational enterprise during the assignment" – could not be tested. However, from the individual *t*-test results it is clear that there are statistically significant differences between all 13 variables measuring support, with the mean scores for support required being higher than the mean scores for support provided.



## 5.6. DESCRIPTIVE STATISTICS

The most common measures of central tendency are the mean, median and mode (Cooper & Schindler, 2011:425). The mean score was calculated for each preparation, training and support required variable, and scores greater than 2.5 on a four-point Likert scale indicated that the variable was required by the majority of trailing spouses. The mean score results for each factor are discussed in the sections below.

### 5.6.1. Mean Scores for Preparation Required by Trailing Spouses

As can be seen in Table 5.31 below, all of the variables that tested the preparation required by trailing spouses had a mean score of above 2.5 on a four-point Likert Scale. This means that the majority of spouses felt that they required all of these variables during the preparation stage in order to adjust in the host country. With a mean score of 3.450; ‘advance notice of relocation to allow for sufficient preparation’ was the variable most required by trailing spouses, followed by ‘orientation visits’ with a mean score of 3.280. ‘Information sessions covering cultural differences between the home and host countries’ was the least required variable, with a mean score of 3.018.

**Table 5.31 Mean Scores for Preparation Required**

No.	Variable	No. of Responses	Mean Score	Std Dev	Rank
26	Advance notice of relocation to allow for sufficient preparation	218	3.450	0.6580	1
27	Contact with spouses already on assignment in the host country	218	3.106	0.7991	3
28	Detailed reading material on the host country (for example its history, economy and customs)	218	3.055	0.8515	4
29	Information sessions covering cultural differences between the home and host countries (for example, eating habits, festivities, housing, schooling and safety concerns)	218	3.018	0.8797	5
30	Orientation visit to the host country prior to departure	218	3.280	0.9454	2

According to Moore (2002:64), dual-career couples need sufficient notice to explore their career options in the host country before deciding whether or not to accept an international assignment. Trailing spouses' ability to prepare for and cope with an international move has been found to be related to the amount of advance notice they were given by the enterprise. The longer in advance the notice, the better prepared the spouses will be to cope with their relocation (Forster, 2000:69; Spera, 2009:289). Forster (2000:75) advises enterprises to provide a minimum of two months' notice to married expatriates.

The mean score above for orientation visits indicates that spouses felt that this was also an important component in their adjustment. This finding is supported by the literature; a number of studies recommend that enterprises organise orientation visits to the host country for expatriates and their spouses, as these visits may reduce spousal uncertainties and facilitate their adjustment (Ashamalla, 1998:58; Ghafoor *et al.*, 2011:338; Rosenbusch & Cseh, 2012:63; Sharma, 2012:15).

The importance of information sessions for trailing spouses is also highlighted in the literature (Fish & Wood, 1997:455; Miser, 2010:4; Punnett, 1997:247; Yu *et al.*, 2005:191). Vogel (2005:153) found that expatriates felt that their spouses should be included in information session prior to their acceptance of the assignment, while a study by Simeon and Fujiu (2000:598) found that the majority of trailing spouses were concerned with housing and schooling arrangements, eating habits and their family's safety in the host country. The mean scores in Table 5.31 indicate that the majority of spouses agreed that information sessions covering these topics would assist in their adjustment; however, though important, of the variables tested this was found to be the least important requirement for preparation.

### **5.6.2. Mean Scores for Training Required by Trailing Spouses**

As seen in Table 5.32 below, all of the variables for the training required by trailing spouses had a mean score greater than 2.5 on a four-point Likert scale. Therefore the majority of spouses felt – though not as strongly as in the preparation required variables – that these types of training were required to facilitate their adjustment during the assignment. With a mean score of 2.908, training on the host country's objective characteristics, such as the currency or political system, was the variable most required by trailing spouses, while 'language manuals, tapes, CDs, and dictionaries' had the lowest mean score of 2.537.

**Table 5.32 Mean Scores for Training Required**

No.	Variable	No. of Responses	Mean Score	Std Dev	Rank
31	Basic courses in the host language prior to departure	218	2.711	0.9949	3
32	Language manuals, tapes, CDs, dictionaries etc.	218	2.537	0.9653	4
33	Training regarding similarities and differences between the home and host countries' objective characteristics (for example, currency, political system, architecture)	218	2.908	0.9010	1
34	Training regarding similarities and differences between the home and host cultures' subjective characteristics (for example, social behaviour, lifestyles, customs, values and belief systems)	218	2.862	0.9255	2

These findings are supported by the literature, with a number of studies (Black & Gregersen, 1991a:465; Gupta *et al.*, 2012b:25; Konopaske & Werner, 2005:1161; Miser, 2010:2; Mohr & Klein, 2004:1197; Sims & Schraeder, 2004:76) emphasising the importance of training programmes to improve spousal adjustment. The literature highlights the facilitation of cultural training programmes that focus on the historical, political, religious, economic, cultural and language differences between the home and host countries, as this will improve the spouses' respect for and understanding of the foreign country, aiding in their adjustment. In a study by Vogel (2005:153), it was found that expatriates felt that their spouses should receive objective and subjective cultural training as well as language training from the enterprise.

Language training allows spouses to deal directly with foreign counterparts (government officials, banking institutions), communicate effectively with HCNs, form friendships and cope with everyday tasks (Ashamalla, 1998:59; Mohr & Klein, 2004:1194; Sharma, 2012:16). It is thus surprising to note that language training was not required by trailing spouses as much as cultural training. However, this may be because many spouses were able to speak the language of the host country before the assignment.

### 5.6.3. Mean Scores for Vocational Support Required by Trailing Spouses

As can be seen in Table 5.33, all of the variables that tested the vocational support requirements of trailing spouses had a mean score above 2.5 on a four-point Likert scale, which indicates that the majority of spouses felt that all of these variables were required to facilitate their adjustment in the host country. With a mean score of 2.931, the vocational support variable required by the majority of spouses was financial support for further education, while compensation for lost wages was the least required variable (mean score = 2.858).

**Table 5.33 Mean Scores for Vocational Support Required**

No.	Variable	No. of Responses	Mean Score	Std Dev	Rank
41	Employment counselling in the host country	218	2.894	0.9757	3
43	Employment assistance within the enterprise	218	2.876	1.0015	5
44	Employment assistance through formal recommendations	218	2.917	0.9221	2
45	Financial support for further education	218	2.931	0.9600	1
46	Compensation for lost wages	218	2.858	0.9991	6
47	Repatriation debriefing and counselling in preparation for the return home	218	2.885	0.9458	4

In a study by Vogel (2005:153), the respondents indicated that they felt that the enterprise should assist with the payment of their spouses' studies or provide spouses with relevant work. According to Harvey and Buckley (1998:111), some governments restrict the employment of trailing spouses, while other spouses face a waiting period of up to 18 months to obtain a work permit. Enterprises are therefore advised to provide meaningful career support that will facilitate the spouses' re-entry into their home country (Moore, 2002:63; Punnett, 1997:245). For this reason, enterprises may opt to finance spouses' education to upgrade their skills and further their career upon repatriation (Konopaske *et al.*, 2005:412; Punnett, 1997:249).

An expatriate family's total income reduces when dual-career couples are sent on international assignments, as trailing spouses often struggle to obtain suitable employment in

the host country. This may influence the family's lifestyle choices and cause additional stress and adjustment difficulties (Harvey & Buckley, 1998:101; Konopaske *et al.*, 2005:407; Lauring & Selmer, 2010:61; Moore, 2002:65; Selmer & Leung, 2003:11). Harvey and Wiese (1998b:34) and Fischlmayr and Kollinger (2010:458) mention that dual-career couples often refuse international assignments for these reasons. Enterprises may therefore choose to compensate trailing spouses for the loss in income they have experienced (Moore, 2002:65; Yu *et al.*, 2005:192).

#### 5.6.4. Mean Scores for Social Support Required by Trailing Spouses

As seen in Table 5.34 below, all of the variables that tested the social support requirements of trailing spouses had a mean score above 2.5 on a four-point Likert scale, meaning that the majority of spouses felt that these variables were required to aid in their adjustment in the host country. The social support variable that was required by the majority of trailing spouses was enterprise-provided visas or work permits, with a mean score of 3.404. This was followed by introductions into spousal networks (3.151) and a tour of the host country on arrival (3.110); while the least required form of social support, with a mean score of 2.839, was a coach or mentor for the duration of the assignment.

**Table 5.34 Mean Scores for Social Support Required**

No.	Variable	No. of Responses	Mean Score	Std Dev	Rank
35	Tour of the host country on arrival	218	3.110	0.8184	3
36	Accommodation within an expatriate community/compound in the host country	218	2.922	0.9830	5
37	Introductions to host nationals (locals) on arrival	218	2.890	0.8461	6
38	Introductions into expatriate spousal social networks in the host country	218	3.151	0.9006	2
39	Club memberships (sport, cooking, hobby or social clubs)	218	2.991	0.9107	4
40	Coach or mentor during the assignment	218	2.839	0.8939	7
42	Enterprise-provided visas, work permits etc. for the host country	218	3.404	0.8600	1

Trailing spouses included in this study felt that enterprise-provided visas or work permits were the most required social support mechanism to aid in their adjustment. This is supported by the literature, as Andreason (2008:388) and Rosenbusch and Cseh (2012:63) point out that spouses who are able to continue with their career in the host country tend to adjust more easily than those who are required to give up or put their careers on hold. Spouses who are unable to work in the host country may become bored, annoyed and frustrated and often experience a loss of professional status and self-esteem (Mohr & Klein, 2004:1193; Shaffer & Harrison, 2001:241; Wilson, 2011:38). Vogel (2005:153) also found that expatriates felt that the enterprise should assist the spouse with acquiring a work permit. MNEs should therefore assist trailing spouses with the visa or work permit application process so that they may continue with their careers in the host country.

Harvey *et al.* (1999:808-809), Harvey and Wiese (1998b:34-37), Miser (2010:5) and Kupka *et al.* (2008:1771) point out that mentoring programmes improve spouses' socialisation and adjustment by relieving stress and anxiety and assisting with problem solving and understanding of the host country's culture. Even though this was found to be the least required form of social support, trailing spouses still indicated that being assigned a mentor or coach would assist in their adjustment.

## **5.7. INFERENCE STATISTICS**

Various significance tests were used in this study to determine if there were differences in the preparation, training and support requirements (dependent variables) between trailing spouses from different demographic groups (independent variables). One-way ANOVA, Kruskal Wallis, Mann-Whitney and *t*-test significance tests were conducted.

### **5.7.1. Expatriate Trailing Spouses' Requirements and Gender**

The Mann-Whitney test was used in order to determine whether or not the preparation, training and support requirements (dependent variables) of expatriate trailing spouses were affected by their gender (independent variable).

From Table 5.35 it can be seen that, at a 95 percent confidence level, there is no statistically significant difference between the preparation, training, vocational support and social support requirements of male and female expatriate trailing spouses.

**Table 5.35 Mann-Whitney U Results for Gender**

Factor Description	Mann-Whitney U	Z	Asymp. Sig (2-tailed)
Preparation Required	1676.5	-0.485	0.628
Training Required	1650.5	-0.589	0.556
Vocational Support Required	1571.0	-0.896	0.370
Social Support Required	1597.5	-0.793	0.428

Harvey and Buckley (1998:114) and Selmer and Leung (2003:11) mention that male trailing spouses often require different support programmes from female spouses. More specifically, male spouses may require more support from the enterprise in the form of career development (Selmer & Leung, 2003:18) and emotional support (Punnett, 1997:248). Such findings contradict the above results, as this study found no statistical significant difference between the gender of trailing spouses and their preparation, training and support requirements in order to adjust in the host country.

### 5.7.2. Expatriate Trailing Spouses' Requirements and Level of Education

In order to determine if the preparation, training and support requirements (dependent variables) of trailing spouses differed depending on their level of education (independent variables), the Kruskal-Wallis test was used.

As seen in Table 5.36 below, at a 95 percent confidence level, there is no statistically significant difference in the preparation, training, vocational support, and social support requirements of spouses with different educational levels. Whether trailing spouses had a grade 12 or lower qualification; a non-degree postgraduate qualification; or a degree, they required the same preparation, training and support initiatives from the enterprise to aid in their adjustment.

**Table 5.36 Kruskal-Wallis Results for Level of Education**

Factor Description	Chi-square ( <i>H</i> )	df	Asymp. Sig
Preparation Required	3.467	2	0.177
Training Required	2.640	2	0.267
Vocational Support Required	1.961	2	0.375
Social Support Required	2.710	2	0.258

Although there is no statistically significant difference between the requirements of spouses with differing levels of education, the mean ranks indicate that the higher the spouses' level of education, the more they tend to require from the MNE in terms of preparation, training and support (vocational and social).

### 5.7.3. Expatriate Trailing Spouses' Requirements and Nature of the Assignment

A *t*-test was conducted to determine whether or not the nature of the assignment (independent variable) had an impact on trailing spouses' preparation, training and support requirements (dependent variables).

As seen in Table 5.37, at a 95 percent confidence level, there is no statistically significant difference between the preparation, training, vocational support, and social support requirements of trailing spouses, irrespective of whether the assignment was self-initiated or whether the expatriate was chosen by the enterprise.



**Table 5.37 t-Test Results for Nature of the Assignment**

Factor Description		Levene's Test for Equality of Variances		t-test for Equality of Means	df	Sig. (2-tailed)	Mean Difference
		F	Sig.	<i>t</i>			
Preparation Required	Equal Variances Assumed	0.024	0.877	-1.186	216	0.237	-0.10123
Training Required	Equal Variances Assumed	1.338	0.249	-1.468	216	0.143	-0.16176
Vocational Support Required	Equal Variances Assumed	0.012	0.914	-0.749	216	0.455	-0.07048
Social Support Required	Equal Variances Assumed	1.881	0.172	-1.704	216	0.090	-0.18548

#### 5.7.4. Expatriate Trailing Spouses' Requirements and their Involvement in the Selection Process

A Kruskal-Wallis test was conducted to determine whether or not trailing spouses' preparation, training and support requirements (dependent variables) were affected by the level of their involvement in the selection process (independent variable).

As seen below in Table 5.38, at a 95 percent confidence level, there is no statistically significant difference between the preparation, training, vocational support, and social support requirements of spouses, regardless of whether the MNE involved them completely; to some extent; or not at all in the selection process.

**Table 5.38 Kruskal-Wallis Results for Involvement in the Selection Process**

Factor Description	Chi-square ( <i>H</i> )	df	Asymp. Sig
Preparation Required	0.798	2	0.671
Training Required	1.477	2	0.478
Vocational Support Required	1.250	2	0.535
Social Support Required	1.000	2	0.606

### 5.7.5. Expatriate Trailing Spouses' Requirements and the Length of Time between Selection and Departure

A Kruskal-Wallis test was also used to determine whether or not trailing spouses' preparation, training and support requirements (dependent variables) differed depending on the length of time between the expatriates' selection and their family's departure from the home country (independent variable).

At a 95 percent confidence level, there is no statistically significant difference with regard to trailing spouses' preparation, training, vocational support, and social support requirements, (see Table 5.39) and the period of time between selection and departure (up to 6 months, 7 to 12 months, more than 12 months).

**Table 5.39 Kruskal-Wallis Results for Length of Time between Selection and Departure**

Factor Description	Chi-square ( <i>H</i> )	df	Asymp. Sig
Preparation Required	0.139	2	0.933
Training Required	0.065	2	0.968
Vocational Support Required	0.718	2	0.698
Social Support Required	1.658	2	0.436

### 5.7.6. Expatriate Trailing Spouses' Requirements and Host Continent

In order to determine whether or not the trailing spouses' host continent (independent variable) would have an effect on their preparation, training and support requirements (dependent variables), a Kruskal-Wallis test was conducted.

At a 95 percent confidence level, there is no statistically significant difference with regard to the preparation, training, vocational support, and social support requirements of trailing spouses assigned to different host continents (see Table 40).

**Table 5.40 Kruskal-Wallis Results for Host Continent**

Factor Description	Chi-square ( <i>H</i> )	df	Asymp. Sig
Preparation Required	0.918	4	0.922
Training Required	3.635	4	0.458
Vocational Support Required	2.298	4	0.681
Social Support Required	1.178	4	0.882

Vogel (2006:159), whose focus was on expatriates, found similar results, as his study found that there was no statistically significant difference between the preparation, training and support requirements of expatriates assigned to Africa and those assigned to other parts of the world.

#### **5.7.7. Expatriate Trailing Spouses' Requirements and Employment Status while on Assignment**

A *t*-test was conducted to determine if preparation, training and support requirements (dependent variables) differed depending on the trailing spouses' employment status in the host country (independent variable).

As seen in Table 5.41, at a 95 percent confidence level, there is no statistically significant difference between the preparation, training, vocational support, and social support requirements of trailing spouses who were employed and those who were unemployed during the assignment.

**Table 5.41** *t*-Test Results for Employment Status while on Assignment

Factor Description		Levene's Test for Equality of Variances		<i>t</i> -test for Equality of Means	df	Sig. (2-tailed)	Mean Difference
		F	Sig.	<i>t</i>			
Preparation Required	Equal Variances Assumed	0.678	0.411	-1.224	216	0.222	-0.12809
Training Required	Equal Variances Assumed	0.006	0.938	0.680	216	0.497	0.09223
Vocational Support Required	Equal Variances Assumed	0.063	0.802	-1.070	216	0.286	-0.12333
Social Support Required	Equal Variances Assumed	2.331	0.128	0.789	216	0.431	0.10591

Trailing spouses included in this study had the same preparation, training and support requirements for adjustment regardless of their employment status in the host country. Enterprises should, however, take note that spouses who are employed in the host country adjust more easily than spouses who give up their careers to accompany expatriates (Andreason, 2008:388; McNulty, 2012:422; Rosenbusch & Cseh, 2012:63).

#### **5.7.8. Expatriate Trailing Spouses' Requirements and Previous International Experience**

A *t*-test was conducted to determine if previous international experience (excluding official expatriate assignments) (independent variable) had an impact on the preparation, training and support requirements (dependent variables) of trailing spouses.

At a 95 percent confidence level, there is no statistically significant difference between spouses who had previously lived outside of their home country and those who had no previous international experience, with regard to their preparation, training, vocational support and social support requirements (see Table 5.42).

**Table 5.42 *t*-Test Results for Previous International Experience**

Factor Description		Levene's Test for Equality of Variances		<i>t</i> -test for Equality of Means	df	Sig. (2-tailed)	Mean Difference
		F	Sig.	<i>t</i>			
Preparation Required	Equal Variances Assumed	0.035	0.852	-1.000	216	0.318	-0.08531
Training Required	Equal Variances Assumed	0.693	0.406	-1.212	216	0.227	-0.13346
Vocational Support Required	Equal Variances Assumed	0.024	0.878	-1.048	216	0.296	-0.09830
Social Support Required	Equal Variances Assumed	0.758	0.385	-0.410	216	0.682	-0.04484

### 5.7.9. Expatriate Trailing Spouses' Requirements and Previous Accompanied Assignments

Various studies (Andreason, 2003:54; Bhaskar-Shrinivas, 2005:259; Brewster & Pickard, 1994:21) have found previous assignment experience to reduce culture shock and uncertainty and enable one to create accurate expectations of the assignment; all of which should facilitate adjustment in the host country and ultimately reduce expatriate failure.

One-way ANOVA was used to determine whether or not spouses who had previously accompanied an expatriate on assignment (independent variable) had different preparation, training and support requirements (dependent variables) from those spouses who had not.

As seen below in Table 5.43, at a 95 percent confidence level, there is no statistically significant difference between the preparation, training, vocational support, and social support requirements of expatriate trailing spouses, regardless of whether they had never accompanied the expatriate before, had accompanied them on a single assignment, or on multiple assignments.

**Table 5.43 One-Way ANOVA Results for Previous Accompanied Assignments**

Factor Description		Sum of Squares	df	Mean Square	F	Sig.
Preparation Required	Between Groups	0.553	2	0.276	0.702	0.497
	Within Groups	84.574	215	0.393		
	<i>Total</i>	<i>85.127</i>	<i>217</i>			
Training Required	Between Groups	0.123	2	0.062	0.093	0.911
	Within Groups	142.122	215	0.661		
	<i>Total</i>	<i>142.245</i>	<i>217</i>			
Vocational Support Required	Between Groups	1.430	2	0.715	1.513	0.223
	Within Groups	101.639	215	0.473		
	<i>Total</i>	<i>103.070</i>	<i>217</i>			
Social Support Required	Between Groups	0.180	2	0.090	0.139	0.870
	Within Groups	139.108	215	0.647		
	<i>Total</i>	<i>139.288</i>	<i>217</i>			

#### 5.7.10. Expatriate Trailing Spouses' Requirements and Previous Personal Expatriate Experience

In order to determine whether or not the preparation, training and support requirements (dependent variables) differed between trailing spouses who had previously been an expatriate themselves and those who had not previously been an expatriate (independent variable), the Kruskal-Wallis test was used.

As seen in Table 5.44, at a 95 percent confidence level, there is no statistically significant difference between the preparation, training, vocational support, and social support requirements of spouses who had previously been an expatriate and those who had not previously been an expatriate.

**Table 5.44 Kruskal-Wallis Results for Previous Expatriate Assignments**

Factor Description	Chi-square ( <i>H</i> )	df	Asymp. Sig
Preparation Required	0.595	2	0.743
Training Required	1.218	2	0.544
Vocational Support Required	2.323	2	0.313
Social Support Required	0.987	2	0.611

Despite there being no statistically significant difference, the mean ranks indicated that there was a tendency for spouses who themselves had previously been expatriates to require less preparation prior to the assignment, and less support during the assignment, than those who had not previously been expatriates.

The same was found for expatriates when Brewster and Pickard (1994:28) tested whether or not expatriates with previous expatriate experience would find training programmes less useful than those with no experience. They too found no significant differences in responses between expatriates with and those without previous expatriate experience.

#### **5.7.11. Expatriate Trailing Spouses' Requirements and Expatriates' Management Level within the Enterprise**

The Kruskal-Wallis test was used to determine if the expatriates' position within the MNE (independent variable) had an effect on the trailing spouses' preparation, training and support requirements (dependent variables).

From Table 5.45 it can be seen that at a 95 percent confidence level there is a statistically significant difference between the preparation requirements of trailing spouses depending on the expatriate's position within the MNE. On the other hand, there is no statistically significant difference between the training, vocational support and social support requirements of trailing spouses depending on the expatriate' position within the MNE.

**Table 5.45 Kruskal-Wallis Results for Expatriates' Management Level within the Enterprise**

Factor Description	Chi-square ( <i>H</i> )	df	Asymp. Sig
Preparation Required	9.989	4	0.041
Training Required	2.193	4	0.700
Vocational Support Required	9.309	4	0.054
Social Support Required	5.822	4	0.213

The mean ranks indicate a tendency for spouses of administration personnel, and top and middle managers to require more preparation than spouses who are accompanying expatriates in first-line management positions. The low count of expatriates in administration positions (four respondents) should, however, be taken into consideration when interpreting this data.

#### **5.7.12. Expatriate Trailing Spouses' Requirements and the MNE's Head Office Location**

A Kruskal-Wallis test was conducted to determine whether or not trailing spouses' preparation, training and support requirements (dependent variables) would differ depending on the continent in which the enterprise's head offices were based (independent variable).

As seen in Table 5.46, at a 95 percent confidence level, there is no statistically significant difference between the preparation, training, vocational support, and social support requirements of spouses assigned by enterprises with head offices located on different continents. Regardless of whether the enterprise's head office was located in Africa, Asia, Europe, North America or Oceania, trailing spouses required the same preparation, training and support initiatives to aid in their adjustment in the host country (South America was removed from the test, as only one respondent indicated that their MNE's head office was located there.)



**Table 5.46 Kruskal-Wallis Results for Enterprise's Head Office Location**

Factor Description	Chi-square ( <i>H</i> )	df	Asymp. Sig
Preparation Required	3.867	4	0.424
Training Required	3.090	4	0.543
Vocational Support Required	3.096	4	0.542
Social Support Required	3.054	4	0.549

### 5.7.13. Expatriate Trailing Spouses' Requirements and Size of the MNE

A Kruskal-Wallis test was also conducted to establish whether or not the size of the MNE (independent variable) had an effect on the preparation, training and support requirements of trailing spouses (dependent variables).

As seen in Table 5.47, at a 95 percent confidence level, there is no statistically significant difference in terms of preparation, training, vocational support, and social support requirements amongst trailing spouses from MNEs of diverse sizes.

**Table 5.47 Kruskal-Wallis Results for Size of the Multinational Enterprise**

Factor Description	Chi-square ( <i>H</i> )	df	Asymp. Sig
Preparation Required	10.812	7	0.147
Training Required	7.846	7	0.346
Vocational Support Required	5.836	7	0.559
Social Support Required	9.276	7	0.233

## 5.8. OPEN-ENDED QUESTIONS

As it was not possible to cover all of the preparation, training and support requirements that trailing spouses might have before and during their assignment, an open-ended question was asked at the end of the online questionnaire. Trailing spouses were asked to detail any additional requirements not mentioned in the questionnaire that they felt would improve their assignment experience. Below are the responses received from trailing spouses:

- A list of current names and telephone numbers of reliable manual and skilled workers (plumbers, electricians etc.)
- Assistance in choosing schools for children
- Prices of every-day necessity items in order to make an informed budget choice
- More frequent trips to the home country
- An increase in the number of annual leave days that expatriate workers get to accommodate the long trips home
- A contact person in the new country to help with setting up bank accounts and cell phone contracts, finding a home, etc.
- Assistance with obtaining a driver's licence
- Financed transport for spouses or having a driver available
- Assistance with dealing with police and authorities
- Assistance with insurance
- Relocation of pets
- Information about emergency contact numbers and a list of qualified hospitals, clinics, doctors, dentists, etc.
- Relocation consultant
- Contact in the head office for the spouse to speak to about any family issues
- Assistance with landlords and home-maintenance issues
- Specific preparation on being a male trailing spouse
- A list of local stores selling international foods
- Refresher or additional financial support if assignment is extended
- Better communication to spouse on company policies
- Personalised assistance dedicated to their families and specific needs rather than generalised help

## 5.9. SUMMARY

There were 218 current trailing spouses who responded to the online questionnaire for this research on the preparation, training and support requirements of expatriate trailing spouses. The majority of these respondents were female, with 40.7 percent being between the ages of 41 and 50, and 88.9 percent holding a diploma or higher level of education. The majority of spouses were assigned to either Asia (40.6 percent of spouses) or Africa (35 percent of

spouses), and 44 percent of the spouses were on self-initiated assignments while 56 percent were sent by the enterprise.

The *t*-test results indicate that these spouses are not receiving the preparation, training and support that they require from the MNEs in order to adjust successfully in their host countries. The most important preparation requirement indicated by trailing spouses was information sessions that cover cultural differences between the home and host countries. Training regarding similarities and differences between the home and host countries' objective characteristics was the most sought-after training requirement, while employment counselling in the host country was the most important support requirement for trailing spouses.

Based on the inferential statistics, it can be concluded that only the expatriate's management position within the enterprise had an effect on the preparation requirements of expatriate trailing spouses.

The following independent variables did not have a statistically significant difference on the preparation, training and support requirements of trailing spouses:

- Gender
- Education level
- Nature of the assignment
- Involvement in the selection process
- Time between selection and departure
- Employment status in the host country
- Previous international experience
- Previous accompanied assignments
- Previous expatriate assignments
- Expatriate's position within the enterprise (no difference to training and support requirements only)
- MNE's head office location
- Size of multinational

Chapter 6 will provide an in-depth discussion of the research findings, as well as recommendations for multinationals outlining the most important preparation, training and support requirements of trailing spouses. MNEs could then use this to design and implement

their programmes more successfully in order to facilitate spousal adjustment, which should in turn reduce the likelihood of expatriate failure.

## CHAPTER 6

### CONCLUSION AND RECOMMENDATIONS

#### 6.1. INTRODUCTION

Cooper and Schindler (2011:570) define a summary as a brief statement of the most essential research findings. These findings state the facts, while the subsequent conclusions represent inferences that the researcher has drawn from the findings. Recommendations are then based on the conclusions reached and offer proposals for corrective action that can be supported by the research findings. Researchers may also suggest fields of further study that may broaden or test the understanding of that particular subject area (Cooper & Schindler, 2011:570).

This chapter will commence with a short overview of the literature study, after which a summary of the most significant research findings will be presented. The chapter will conclude with recommendations based on these findings and discuss areas for possible future research that were identified during this study.

#### 6.2. LITERATURE REVIEW

Chapter One began with a comprehensive literature review that served as a background to the problem statement and research question. This chapter began by discussing the fact that the rise of globalisation has led to an increased need for MNEs to send their employees on international assignments (Haile *et al.*, 2007:100; Harzing, 2004:252-254; Schuler *et al.*, 1993:430; Takeuchi *et al.*, 2005:925).

A section about the expatriate forms, policies and selection process was followed by a discussion around the issue of expatriate failure. The most recent studies (Briscoe *et al.*, 2009:182; Lund & Degen 2010:60; Okpara & Kabongo, 2011:22; Shay & Tracey, 1997:31; Tung, 1982:68) record expatriate failure rates of between 20 and 40 percent, which may increase to as high as 70 percent. These failures may cost an enterprise up to two and a half times the expatriate's annual salary plus the cost of relocating them to the home country (Anderson, 2005:572). The inability of the spouse to adapt to the new environment has consistently been found throughout literature to be the most common cause of expatriate failure (Anderson, 2005:568; Briscoe *et al.*, 2009:165; Haile *et al.*, 2007:101; Tung, 1981:76).

As the successful adjustment of trailing spouses is a significant predictor of expatriate success, the literature suggests that spouses should be included in MNEs' preparation, training and support programmes (Mäkelä, Käsälä and Suutari, 2011:186; Miser, 2010:1; Van Erp *et al.*, 2011b:539). As a result, the following research question was developed:

What are the preparation, training and support requirements of trailing spouses prior to, and during, an international assignment?

Chapter One then identified the hypotheses that were tested in this study, namely:

- H<sub>10</sub>:** There is no difference between the preparation required by trailing spouses and the preparation received from the enterprise prior to the assignment.
- H<sub>1A</sub>:** There is a difference between the preparation required by trailing spouses and the preparation received from the enterprise prior to the assignment.
- H<sub>20</sub>:** There is no difference between the training required by trailing spouses and the training received from the enterprise prior to the assignment.
- H<sub>2A</sub>:** There is a difference between the training required by trailing spouses and the training received from the enterprise prior to the assignment.
- H<sub>30</sub>:** There is no difference between the support required by trailing spouses and the support received from the enterprise during the assignment.
- H<sub>3A</sub>:** There is a difference between the support required by trailing spouses and the support received from the enterprise during the assignment.

The first literature chapter, Chapter Two, discussed the view that human resources are a sustainable source of competitive advantage to enterprises if they are valuable, rare, inimitable, non-substitutable and exploitable (Beardwell & Claydon, 2010:50; Carpenter & Sanders, 2009:103; Hitt *et al.*, 2001:13, Kozlowski, 2011:278-279). An enterprise's ability to meet strategic objectives and gain a competitive advantage over its rivals is determined by its ability to acquire and build an effective workforce with unique capabilities, proving IHRM to be an essential component of an enterprise's global strategy. MNEs may follow one of four international strategies: an international (home replication) strategy, a multidomestic (localisation) strategy, a global strategy, or a transnational strategy (Bartlett & Ghoshal, 1989:13; Beardwell & Claydon, 2010:649; Snell & Bohlander, 2010:658). MNEs also recruit

according to one of four staffing policies; ethnocentric, polycentric, regiocentric or geocentric. These policies make use of different forms of expatriation, namely parent-country nationals, host-country nationals and third-country nationals, with PCNs being the most common form of expatriate used by MNEs (Briscoe *et al.*, 2009:265; Colakoglu & Caligiuri, 2008:1; Reiche & Harzing, 2009:5; Snell & Bohlander, 210:664).

Chapter Two emphasised throughout the importance of, and the challenges associated with, attracting, retaining and developing expatriates in MNEs. Expatriate selection processes are often aggravated by their focus on technical competence and domestic performance alone, instead of including the candidate's personality traits, cultural adaptability and consideration of the candidate's spouse (Anderson, 2005:569; Cheng & Lin, 2009:62; Huang *et al.*, 2011:2402). This chapter went on to discuss the various expatriate selection criteria proposed by Tung (1981:69), Caligiuri (2000b:71), Mendenhall and Oddou (1985:40), and Dowling and Welch (in Huynh *et al.*, 2007:11), with the expatriates' cross-cultural skills being a common and important criterion for success.

As spouses' and expatriates' inability to adapt are the most common causes of failure, the Lysgaard U-Curve Theory of Adjustment was discussed in four consecutive phases, namely "honeymoon, culture shock, adjustment and mastery", in order to assist enterprises to combat issues that may arise at each stage during the process (Church, 1982:541; Littrell *et al.*, 2006:364; Lysgaard in Black & Mendenhall, 1991:227). This was followed by a comprehensive discussion of the preparation, training and support provided by enterprises that are crucial to expatriates' adjustment in the host country. This theoretical discussion, in conjunction with Chapter Three, was used as a basis for constructing the online questionnaire.

Enterprises should also be conscious of appropriate compensation and benefits packages for expatriates in order to attract, retain and motivate the best candidates. According to Bonache *et al.* (2006:2137) and Sims and Schraeder (2005:99), compensation has been proved to be the most important factor candidates consider before accepting an assignment. Modelling an expatriate compensation package is often challenging, due to distinct differences between the home- and host-country legislation, culture and local practices (Bonache *et al.*, 2006:2135; Cascio, 2006:650; Gomez-Mejia *et al.*, 2010:585; Grobler *et al.*, 2011:647). Chapter Two concluded with a discussion on repatriation, a key step often overlooked by MNEs. This is a crucial step in the success of an expatriate assignment, as expatriates who are not repatriated

properly may leave the enterprise's employ, taking with them their valuable skill set, international experience and sustainable advantage.

As an unhappy spouse has been found to be the most common cause of all forms of expatriate failure (Harris, 1993:11; Hill, 2011:611; Mohr & Klein, 2004:1190; Rosenbusch & Cseh, 2012:61; Tung, 1987:117), enterprise assistance for the spouse is an essential component of a successful international assignment. For this reason, Chapter Three focused on the issues faced by trailing spouses (dual-career couples, culture shock, isolation, dissimilarity, vulnerability, crossover and work-family conflict) in the host country and provided guidelines for MNEs on how trailing spouses should be prepared for an international assignment, what language and cultural training programmes should be provided, as well as what support is required in order to aid in their adjustment, thus reducing the likelihood of expatriate failure.

Lastly, Chapter Four explained the methodology that was followed to conduct this trailing spouse research, while Chapter Five presented and discussed the findings of the empirical research.

### **6.3. FINDINGS**

The following section will provide a brief summary of the empirical research findings discussed in full in Chapter Five.

#### **6.3.1. Demographic Profile**

From the findings it is clear that there is a prominent age group for expatriate trailing spouses, as 40.7 percent of respondents were between the ages of 41 and 50, with 26.5 percent being between 31 and 40 years of age. Other studies (Blakely *et al.*, 2014:74; McNulty, 2012:423) had similar findings, with the majority of respondents being between the ages of 30 and 49.

With regard to the gender profile of the sample, 91.7 percent of respondents were female. A number of other studies also found that the majority of spouses were female (McNulty, 2012:423; Blakely *et al.*, 2014:74; Wiese, 2010:9; Van Erp *et al.*, 2011a:64). This is likely to be due to gender-role theories and the societal pressure on men to be the traditional breadwinners in their families. Male spouses may become frustrated or feel worthless and insecure if they are not actively contributing to the family's finances. Male trailing spouses also tend to require more social support in the host country, as they struggle to adjust to their



new role as homemaker, and often feel left out of spousal networks where the majority of members are female (Harvey & Buckley, 1998:114; Moore, 2002:65; Selmer & Leung, 2003:18). As male spouses are more likely to be opposed to giving up their careers and financial responsibility, it is understandable that most trailing spouses are female.

Of the 106 respondents who had children at school, 98.1 percent indicated that their children were accompanying them on the assignment. These findings, along with those of other studies (Van Erp *et al.*, 2011a:63; Brookfield Global Relocation Services, 2010), indicate that expatriate families who have children under the age of 18 are more likely to take their children with them on assignment than leave them in the home country. With these statistics in mind, it is understandable that most trailing spouses are females who assume the traditional role of the 'housewife' in the host country to provide the support that young children need in a foreign environment (Mäkelä, Känslä & Suutari, 2011:191).

With regard to trailing spouses' education levels and employment status, 93.5 percent of respondents held some form of tertiary qualification, while only 19.5 percent of the 159 spouses who were employed prior to the assignment were also employed in the host country. This may be due to in-country visa or work permit restrictions, unsuitable positions, or a lack of appropriate career counselling. Spouses who give up their careers ultimately experience a loss of professional status, a reduction in responsibility, and become bored and frustrated, which may lead to crossover and negatively affect the expatriates' work performance (Andreason, 2008:389; Harvey & Buckle, 1998:101; Harvey & Wiese, 1998b:34; Selmer & Leung, 2003:11). Vocational or employment support provided by the enterprise may therefore contribute towards the success of the assignment.

It is clear that enterprises are reluctant to include spouses in the selection process, with only 11.1 percent of respondents being completely included. This is surprising, since spousal support of the assignment is a key predictor of assignment success (Lee *et al.*, 2013:380). The majority of respondents (75.5 percent) departed from their home country within six months of the date of the expatriate being selected for the assignment.

Of the expatriates, 56 percent were assigned by the enterprise to their host countries, while the remaining respondents made the decision themselves to relocate within the enterprise. The respondents included in this study were seconded across 52 countries on six continents, the most common country and continent being Malaysia and Asia respectively. The increased demand for expatriates within Asia may be evidence that enterprises are shifting their focus

to developing countries to enhance their growth potential and improve their bottom line (Büthe & Milner, 2008:741,757; Scullion *et al.*, 2007:310).

With regard to expatriate trailing spouses' previous international experiences, 44.9 percent of respondents had previously lived outside of their home country; 46.8 percent had previously accompanied their partners on an assignment; and 14.2 percent had previously been an expatriate themselves. This previous experience may have eased and accelerated the adjustment process for trailing spouses, as 70.2 percent of respondents felt adjusted or highly adjusted in the host country. According to Lysgaard's U-Curve theory, it usually takes between 4 and 24 months to adjust to a new environment (Black & Mendenhall, 1991:226; Church, 1982:541; Littrell *et al.*, 2006:364; Thomas in Els, 2007:12). At the time of completing the questionnaire, 41.9 percent of spouses had been in the host country for more than two years. Language training has been found to be the most important aspect of preparation for spouses, as it enables them to complete daily tasks and interact with host nationals (Rosenbusch & Cseh, 2012:73; Sharma, 2012:16). Despite this, 51.4 percent of spouses were unable to speak the host language prior to their departure from the home country.

With regard to the expatriates' employment details, 15.2 percent of expatriates were employed within the mining and quarrying industry; 35.4 percent of MNE head offices were located in Europe; and 54.2 percent of these enterprises employed more than 5000 people; 85.8 percent of expatriates represented by spouses in the study held either middle or top management positions.

As mentioned previously, Asia was the most common host continent, which may be due to the increased investment by large MNEs into lucrative developing markets. The findings indicate that enterprises are sending their top management employees into developing countries in order to manage their subsidiaries in these emerging markets. This may be due to a scarcity in local skills, a required transfer of knowledge and corporate culture, or the need for control over operations.

### **6.3.2. Data Reduction Analysis**

The measuring instrument used in this study proposed three constructs: preparation, training and support. Respondents were asked to rate their level of agreement, on a four-point Likert scale, with each variable under the constructs in terms of whether or not they required the

variable and whether or not the enterprise provided it to them. An exploratory factor analysis was conducted in order to determine if each construct was made up of only one factor. In doing this, eigenvalues greater than one determined how many factors were represented by each construct, while the loadings dictated under which factor each variable should be classified.

The eigenvalues identified one factor each for *Preparation required*, *Preparation provided*, *Training required* and *Training provided*, while *Support required* and *Support provided* consisted of two factors each. This prevented the researcher from being able to conduct a paired *t*-test to test the support hypothesis, as the two factors under *Support required* differed from the two factors under *Support provided*. The factors that emerged under *Support required* were Vocational Support Required and Social Support Required, while *Support provided* consisted of Practical Support Provided and Employment Support Provided.

### **6.3.3. Reliability**

Reliability is a fundamental element when evaluating a measuring instrument's ability to measure consistently. In this case, Cronbach's Coefficient Alpha was used to test the internal consistency and reliability of the responses received from trailing spouses. The Cronbach's Alpha values for all of the variables measuring the preparation, training and support constructs were higher than 0.70. This indicated that the measuring instrument used could be considered to be reliable.

### **6.3.4. Preparation, Training and Support: Required versus Provided**

A dependent samples *t*-test was conducted on all of the variables in the questionnaire to determine whether or not trailing spouses were receiving the preparation, training and support that they felt they required from the enterprise. At a 95 percent confidence level, all of the variables had a *p*-value of  $p < 0.0001$ , which indicated statistically significant differences between what was required by trailing spouses and what was provided by the enterprise. From these results it is clear that MNEs did not provide trailing spouses with the preparation, training or support that they required in order to adjust successfully in the host country.

The variables that had the highest mean difference between what spouses required and what the MNEs provided under each construct were as follows:

- **Preparation:** Information sessions covering cultural differences between the home and host countries (for example, eating habits, festivities, housing, schooling and safety concerns)
- **Training:** Training regarding similarities and differences between the home and host countries' objective characteristics (for example, currency, political system, architecture)
- **Support:** Employment counselling in the host country

A paired *t*-test was also conducted to test the hypotheses by comparing the mean scores for the combined total results of the variables under each factor. At a 95 percent confidence level there were statistically significant differences between the preparation and training that was required and what was provided. These paired *t*-test results support the results of the individual *t*-test by showing that MNEs are not providing trailing spouses with the preparation or training that they require. Although a paired *t*-test could not be conducted to test the support hypotheses (as the two factors under *Support required* and *Support provided* were different), it is clear that enterprises are not providing spouses with the individual variables tested under the support constructs.

At a 95 percent confidence level, the following hypotheses were accepted, as the mean scores for what was required by trailing spouses were higher than the mean scores of what was provided by the enterprise:

- The alternative hypothesis  $H_{1A}$  stating: There is a difference between the preparation required by trailing spouses and the preparation provided to them by the multinational enterprise prior to the assignment – is accepted.
- The alternative hypothesis  $H_{2A}$  stating: There is a difference between the training required by trailing spouses and the training provided to them by the multinational enterprise prior to the assignment – is accepted.

### 6.3.5. Descriptive Statistics

The mean score was calculated for each of the required variables, where a score greater than 2.5 served as an indication that the majority of spouses required that variable.

Although the majority of spouses required all of the preparation, training and support variables that were tested in this study, ‘advance notice of relocation’ was the most required variable in terms of spousal preparation. This is understandable, as Moore (2002:64), Forster (2000:69) and Spera (2009:289) are of the opinion that spouses who receive sufficient notice of the assignment are able to adequately prepare themselves and their families for the move and the inevitable culture shock, as well as search for career opportunities in the host country.

‘Training regarding similarities and differences between the home and host countries’ objective characteristics’ was the training variable most required by trailing spouses. Such training would improve the spouses’ respect for and understanding of the foreign country, which should in turn reduce uncertainty and improve their adjustment (Gupta *et al.*, 2012b:24-25; Mohr & Klein, 2004:1197; Sims & Schraeder, 2004:76; Vogel, 2005:153).

‘Financial support for further education’ was the most required vocational support variable, while ‘enterprise-provided visas, work permits etc.’ was the social support variable that was most required by trailing spouses. This is not surprising, as spouses who are unemployed in the host country become bored and discouraged, which may demotivate expatriates and encourage them to return home early (Mohr & Klein, 2004:1193; Shaffer & Harrison, 2001:241; Wilson, 2011:38).

#### **6.3.6. Inferential Statistics**

The aim of this section was to determine whether or not the preparation, training or support requirements of trailing spouses were influenced by various demographic characteristics. Significance tests, including one-way ANOVA, Kruskal-Wallis, Mann-Whitney U and the *t*-test, were conducted to determine whether or not statistically significant differences existed between preparation, training and support requirements (dependent variables) and various independent variables. Significance tests were conducted for the following independent variables:

- Trailing spouses’ gender
- Trailing spouses’ level of education
- The nature of the assignment
- Trailing spouses’ involvement in the selection process
- The length of time between the expatriate’s selection and the family’s departure
- The host continent

- Trailing spouses' employment status while on assignment
- Trailing spouses' previous international experience
- Trailing spouses' previous accompanied assignment experience
- Trailing spouses' previous expatriate assignment experience
- Expatriate's position within the enterprise
- The MNE's head office location
- The size of the MNE

The results indicated that there was only one statistically significant difference namely:

- The expatriate's position within the MNE and the preparation requirements of trailing spouses.

#### 6.3.6.1. Expatriate's Position within the MNE and the Preparation Requirements of Trailing Spouses

A Kruskal-Wallis test revealed a statistically significant difference between the preparation requirements of respondents (trailing spouses) and the expatriate's management level within the enterprise. The mean ranks indicated a tendency for spouses of administration personnel and top and middle managers to require more preparation from the enterprise than spouses of first-line managers. It should be noted, however, that only four respondents in this study were accompanying expatriate managers in administration positions. This should be taken into consideration when interpreting the data.

## 6.4. RECOMMENDATIONS

As previously mentioned, the results of the *t*-test found a statistically significant difference between the mean scores of what was required and what was provided for all of the preparation, training and support variables included in the questionnaire. This indicates that the expatriate trailing spouses did not receive the preparation, training or support that they required from the enterprise in order to adjust to the host location. Recommendations based on these findings will be discussed in the subsequent sections, with the aim of improving MNE expatriate processes in order to reduce the number of expatriate failures that result from an unadjusted and unhappy spouse.

#### **6.4.1. Preparation of Trailing Spouses Before the Assignment**

Pre-departure preparation programmes provide spouses with background knowledge on the host country and enable them to understand the foreign environment and lifestyle that they will need to adjust to. The home country office should facilitate detailed information sessions for spouses that highlight the various cultural differences between their home country and the country to which they will be assigned. The local HR department should brief trailing spouses on the native eating habits, cultural festivities, social conventions, housing and transport arrangements, schooling for accompanying children, and health and safety issues that may be present in the host country. This will enable spouses to sufficiently plan and prepare their family for any potential obstacles they may encounter during their relocation.

The enterprise's HR department should also provide comprehensive reading material on the host country's history, economy, political environment and customs. Such material may be presented to spouses as hard-copy or electronic mobilisation packs and information guides, or may be in the form of online links to recommended reading. These guides or online sources may serve as a supplement to the information sessions mentioned above, or replace such sessions if enterprises feel the material provides sufficient detail to prepare spouses for their arrival in the host country.

Although reading material and information sessions provide a useful guide for trailing spouses on what to expect during the assignment, first-hand experience in the host country will provide a realistic preview of day-to-day life as a local. It is therefore recommended that the home country office send expatriates and their spouses on orientation visits to enable them to experience what it would be like to live in the host country. However, although orientation visits provide spouses with accurate and up-to-date information about the environment and local culture, they are expensive and may warp spouses' perceptions of the country if they treat the visit as a vacation. If enterprises organise orientation visits, they should arrange for spouses to view potential properties and schools, visit local supermarkets and shopping centres, and communicate with potential neighbours so as to get a feel for everyday life in the host country.

In addition to orientation visits, the host country should put spouses in contact with other spouses who have already relocated to the host country. This will also assist spouses to develop realistic expectations and receive helpful advice on day-to-day life: where to do grocery shopping, which doctors are the most qualified, which schools are highly

recommended, activities to do over the weekends, places to visit and areas to avoid, and so on; all of which should reduce the spouses' culture shock when they arrive. Contacts in the host country can also provide trailing spouses with guidance during the packing and relocation process and assist when they arrive in country.

In order to enable spouses to prepare for an international assignment, enterprises are recommended to give expatriates and their spouses sufficient notice of their relocation. Among other things, spouses need time to pack up their home, read up about the host country and its culture, arrange transfers from their children's schools, obtain medical certificates from family doctors, gather travel documentation, and make arrangements for family pets. If spouses feel under pressure or rushed during the relocation process, they may panic and are likely to feel underprepared when they arrive in the foreign country. MNEs should therefore provide expatriates and their spouses with at least a few months to organise their affairs in the home country and emotionally prepare for the relocation.

According to Beamish, Morrison, Rosenzweig and Inkpen (2000:193), the amount and type of training provided to expatriates will be influenced by the level of cultural interaction they will be exposed to in the host country. This will probably influence the type of preparation they will require. As senior managers may need to host and attend more social and work events during their assignment, their trailing spouses may require more preparation, as they will interact with host-country nationals while entertaining or attending these social work events. HR departments should therefore assess the level of interaction a trailing spouse will be exposed to during the assignment in order to determine the amount and type of preparation that should be offered. Enterprises may need to consider providing spouses of senior management expatriates with more extensive preparation programmes that focus on social etiquette and social conventions of the host culture.

#### **6.4.2. Training of Spouses Prior to the Assignment**

When spouses arrive in the host country they are met with various obstacles, including language barriers and cultural differences. Spouses may struggle to adjust as they are more exposed to the local culture than the expatriates and rely on interactions with host nationals to go about their day-to-day lives. If spouses are not provided with pre-departure training they may become stressed and overwhelmed when they realise how little they know about the host country and its culture. Local HR departments are recommended to include trailing spouses in language and cultural training programmes in order to reduce the inevitable culture shock,



ease their adjustment upon arrival, and prevent negative crossover between the spouses and the expatriates.

In cases where the home and host languages differ, local HR departments should provide spouses with language training prior to their departure. Language training may be in the form of basic online courses which spouses may complete from the comfort of their own homes, or face-to-face courses at the enterprise's head office or at various educational institutions. Such courses may be accompanied by language dictionaries or training manuals and language tapes or CDs that spouses may use to practise their vocabulary and pronunciations. Spouses who are familiar with the host language and are able to communicate with local service providers, even at a basic level, will feel more at ease in the host country. Language ability also enables spouses to form relationships with their neighbours, cope with everyday tasks, gain respect from the locals and even find employment. The host country should therefore provide trailing spouses with basic language courses and training material, as knowledge in the host language increases spouses' confidence and enhances their adjustment.

Local HR departments should also provide spouses with cultural training that focuses not only on the objective characteristics of the host country, but also on the subjective characteristics. This training may be in the form of lectures, presentations, or discussions with HCNs.

When providing cross-cultural training, local HR should begin by focusing on the objective characteristics of the host location, as these are easily understood and more likely to be observed on a daily basis. Such training programmes should cover the differences between the home and host countries' physical, historical, political, technological and economic environments. This training should aim to brief spouses on the country's history, political parties, demographics, health and safety, transportation infrastructure, telecommunication systems, currency and exchange rates, utilities and climate and the like. MNEs should facilitate training programmes that cover these areas, as an understanding of these objective characteristics will increase spouses' confidence in the assignment and they will know what to expect upon their arrival, reducing their culture shock.

In addition to the above, spouses should also receive training on the subjective characteristics of the host country, including the country's culture, social behaviour, lifestyles, customs, values and belief systems. Facilitators of this training should have spent sufficient time in the host country and should understand the cultural nuances and social conventions well.

Subjective training should aim to increase the spouses' understanding of and sensitivity towards the host country, its people and its culture, and prevent them from behaving inappropriately. Spouses should arrive in the host country well prepared and knowledgeable about the country's religious practices, ethnicity, music and arts, clothing, social conventions, festivals and holiday celebrations, attitudes towards time and personal space and value systems (e.g. individualism vs. collectivism).

The greater the difference between the home and host countries' culture, the harder it becomes for spouses to adjust. The home country should provide basic cultural training so that spouses are aware of these differences, and any potential issues that may arise as a result of these differences, prior to their departure. This awareness will assist in their adjustment to the host culture, and in so doing, reduce the likelihood of expatriate failure.

### **6.4.3. Support During the Assignment**

It is important that both the home- and host-country enterprises provide spouses with sufficient support during the assignment to reduce stress levels and anxiety and increase adjustment. Enterprise support may be provided in many forms.

Upon arrival in the host country the local HR department should arrange for the expatriates and their spouses to be given a tour of the neighbourhood in which they will be living and the surrounding areas. The tour may be given by an employee or another spouse who is already living in the country. Among other things, spouses should be shown where the nearest shopping centres and banking institutions are, which doctors and clinics to go to, and where to go in case of an emergency. These tours will acquaint the spouses with the area and reassure them that all necessary amenities are within close proximity to where they will be living.

Wherever possible, the host country should provide expatriate families with accommodation within an expatriate compound or community (preferably the same area in which the enterprise's other expatriates are staying). Living in a tight-knit community such as this will assist with spousal adjustment, as spouses become part of social networks and form relationships with others in a similar situation. Social networks may include book clubs, cooking classes, weekly coffee meetings, or memberships to sports clubs. These networks allow spouses to share their experiences, get valuable feedback, obtain references for reliable service providers, and receive advice on schooling, housing and transportation arrangements.

Accommodation within an expatriate community is recommended because this may alleviate the spouses' boredom and give them a sense of belonging, as they are surrounded by other trailing spouses helping them to adjust successfully.

The local office should also make an effort to introduce trailing spouses to locals in their area. Spouses who form personal relationships with HCNs are likely to learn a lot more about the country and its culture, social conventions and local belief systems than spouses who remain in the confines of their compound. HCNs can assist expatriate spouses with coping with local bureaucracy, avoiding inappropriate behaviour in social situations and understanding the cultural values and principles. Spouses who form friendships with the locals are likely to experience and take part in festivities and holiday celebrations and gain a deeper appreciation of the culture. This first-hand experience of the host country's culture and customs will accelerate the spouses' adjustment process.

MNEs should allocate to trailing spouses mentors or coaches who can provide advice and assistance whenever necessary for the duration of the expatriation process (prior to and during the assignment, and after repatriation). An enterprise may assign two mentors to an expatriate spouse; one mentor could be based at the head office to assist with the logistical matters associated with the families' relocation and to assist with re-establishing the spouses' careers upon their repatriation, and another to facilitate the spouses' in-country adjustment during the assignment. In-country mentors should have advanced experience of the host country, to be able to assist with the settling-in process and adjustment to host-country differences, and to relieve spouses' stress and anxiety. The provision of mentors by the enterprise demonstrates a willingness to support the family while overseas.

As the number of dual-career couples is on the rise, enterprises are recommended to provide trailing spouses with employment assistance in the host country. If possible, MNEs should create a temporary position for spouses within the host-country office for the duration of the assignment or provide formal recommendations on their behalf to other enterprises in the host country. Upon their arrival in the host country, the local office may assign a career counsellor to spouses to assist them with their career choices during the assignment. This type of counselling may encourage spouses to remain in touch with their career and up to date in their field of expertise.

As spouses often struggle to obtain work permits or visas in the foreign country, local HR should assist with the application process so that spouses may continue with their careers for

the duration of the assignment. MNEs often make use of relocation service providers that apply for and process expatriate work permits and visas on their behalf. These service providers could also facilitate the process for expatriate spouses. If spouses are restricted from working in the host country, enterprises should compensate them for the salary that they have given up to accompany the expatriate. Enterprises may alternatively choose to provide spouses with financial support for further education within their field of work, which will aid in the advancement of their career upon their return to the home country.

Once the assignment has come to an end, both the host and home countries should assist spouses with the repatriation process, as their readjustment into the home country has a significant effect on the expatriate's success. Expatriate spouses must be debriefed on the assignment and provided with counselling in order to deal with the reverse culture shock upon their return. During this process, enterprises should also assist spouses with re-establishing their career.

A lack of meaningful work and a loss of income and professional status create unwanted pressure and stress for trailing spouses. Many studies have emphasised the importance of enterprise-provided career support, as expatriates are increasingly turning down international assignments due to a lack of spousal employment opportunities. Enterprises should therefore focus on providing trailing spouses with employment and vocational support in the host country.

#### **6.4.4. Expatriate Selection Processes**

This study found that the majority of trailing spouses (51.6 percent) were not included in the selection process at all, despite the influence they have on the expatriate's decisions. Spousal support of the assignment has been found to be a key predictor of assignment success (Lee *et al.*, 2013:380). Spouses tend to be more exposed to the local culture than the expatriate, yet they are often excluded from selection and training processes, making it harder for them to adjust upon their arrival in the host country (Andreason, 2008:382-387; Davidson & Kinzel, 1996:113; Lee *et al.*, 2013:380; Tung, 1982:65; Wilson, 2011:9). Enterprises should therefore include spouses in the selection process and make them aware of various aspects of the assignment, including where they will be based, what is expected of the expatriate for the duration of the assignment, what support they will receive in the host country, and so on, in order for them to make an informed decision about the assignment and to reassure them that they are cognisant of what lies ahead.

## 6.5. LIMITATIONS

The following limitations and obstacles were encountered by the researcher during this study:

- The study made it necessary to go through enterprises and their HR departments to reach expatriates. The majority of enterprises that were approached were unwilling to assist with the research. Of the 196 enterprises that were approached, only 17 (8.67 percent) provided consent to participate in the study. This may be due to a number of reasons:
  - The difficulty in getting through to the relevant HR or expatriate manager within the enterprise; this meant that the employee who made the decision not to participate may not have understood the purpose of the research, or did not know to whom to refer the researcher within the enterprise
  - The possibility that the enterprise did not have any expatriates on assignment at the time of the study
  - Reluctance of multinationals to provide their expatriate employees' contact details, as expatriates are extremely valuable employees
  - Reluctance of managers to assist with the study due to the high pressure and time constraints of their job
  - The possibility that the enterprise had already taken part in a research study in that year
  - The fact that enterprises that employ expatriates are generally large multinationals with tedious approval processes, which made it difficult for HR and expatriate managers to gain the necessary permission from the enterprises' directors to assist with the study
- Obstacles created by relying on and working with people from different countries, cultures and time zones
- The impersonal nature of the study, as well as cultural nuances, which affect how respondents may interpret questions and statements

## **6.6. CONTRIBUTIONS OF THE STUDY**

This study set out to determine whether or not MNEs were providing expatriate trailing spouses with the preparation, training and support that they required in order to adjust successfully in the host country. As a similar trailing spouse study has not previously been conducted, the findings of this study make a significant contribution to expatriate management and IHRM.

An array of empirical and statistical data analysis techniques were used, from which the findings indicate that trailing spouses are not receiving the preparation, training and support that they require from MNEs in order to adjust, despite the fact that spouses' inability to adjust has consistently been found to be a primary cause of expatriate failure. By fulfilling spouses' requirements, MNEs may be able to reduce the likelihood of assignment failure. It can therefore be said that this study contributes to existing expatriate literature by identifying not only specific trailing spouses' needs, but also where the largest shortcomings are in terms of trailing spouses' preparation, training and support.

Furthermore, inferential statistics showed that various demographic characteristics (gender, level of education, nature of assignment, involvement in the selection process, length of time between selection and departure, host continent, employment status, international experience, assignment experience, MNE head office location and MNE size) did not have an effect on trailing spouses' preparation, training and support requirements. The results did, however, indicate that spouses have different requirements depending on the expatriates' management level within the enterprise.

## **6.7. FUTURE RESEARCH**

Although a number of studies have been conducted on the various stages of the expatriation process, almost no information is available globally on the specific requirements of expatriate trailing spouses. Despite the evident high failure rate due to family issues, enterprises are unable to improve their expatriation processes, as very limited information is available to them. In time, the findings in this study may be used to develop a decision tree or model that enterprises could use during their selection processes to better identify potential candidates who are likely to be successful and assess their suitability partly on the basis of their spouses' demographic characteristics. If enterprises are able to predict the success of an assignment prior to the candidate's selection, based among other factors on the spouse's ability to adjust

to a foreign environment, they would save time and resources and avoid the unnecessary costs that result from expatriate failure.

As there appear to be very few male spouses accompanying expatriates on international assignments (only 8.3 percent of the respondents used in this study were male), one might complete a similar study to determine the specific requirements of male trailing spouses. Research on male trailing spouses may become invaluable in the future because the number of males accompanying expatriates is expected to increase over time.

Lastly, one could research the question of whether or not accompanying children have a significant effect on the spouses' preparation, training and support requirements. Accompanying children bring with them further stress related to schooling, housing, medical, care and additional monthly expenses. Spouses may require more preparation in the form of comprehensive information about the education system in the host country, and may feel they need more support from the enterprise during the assignment in order to juggle the multiple responsibilities that come with accompanying children.

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**APPENDIX A**  
**MEASURING INSTRUMENT**



UNIVERSITEIT VAN PRETORIA  
UNIVERSITY OF PRETORIA  
YUNIBESITHI YA PRETORIA

**Faculty of Economic and  
Management Sciences**

**DEPARTMENT OF BUSINESS MANAGEMENT**

**PREPARATION, TRAINING AND SUPPORT REQUIREMENTS OF EXPATRIATE  
TRAILING SPOUSES**

Research conducted by:

Mrs EL Webber,

Student number: 29024252

Cell: +27 (0)72 513 7321

Email: emma\_shaw90@hotmail.com

Dear Participant

You are invited to participate in an academic research study conducted by Emma-Louise Webber, a Masters Student from the Department of Business Management at the University of Pretoria.

The purpose of the study is to determine the preparation, training and support requirements of expatriate trailing spouses, before and during an assignment. Many studies have found the spouse's adjustment to be a critical determinant of whether or not the expatriate will complete their assignment, and how well they will perform internationally. The spouse often struggles during an international assignment; while the expatriate benefits from the stability of a

familiar work environment, the spouse is left feeling alienated, without the social support network that was present in their home country.

Please note the following:

- This is an anonymous study, as your name will not appear on the questionnaire. The answers you give will be treated as strictly confidential; you cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- Please answer the questions in the attached questionnaire as completely and honestly as possible. This should not take more than 20 minutes of your time.
- The results of the study will be used for academic purposes only and may be published in an academic journal. I will provide you with a summary of my findings on request.
- Please contact my study leader, Dr A.J. Vogel, +27 (12) 420 3364, johan.vogel@up.ac.za if you have any questions or comments regarding the study.

**By completing this questionnaire you indicate that:**

- **You have read and understand the information provided above.**
- **You give your consent to participating in the study on a voluntary basis.**