

Cross culture challenges and adjustment of indian expatriate management essay



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Abstract

This report is on a study conducted among a group of Indian expatriates in United Kingdom. The objective of the study is to examine cross culture challenges faced by the Indian expatriates and adjustments made to the challenges in UK. Cultural clashes between foreign and local values are inevitable in which expatriates experience challenges. The study highlighted the psychological, socio-cultural and work challenges. Adjustments were based on individual initiatives based on the psychological and mental strengths of the expatriates, combined with efforts of peer expatriates, parent firms and host organizations.

Introduction

Economic liberalization triggers many international organizations to expand their business along with establishing their reputation globally. According to, Bartol and Martin (1998) globalization process a worldwide integration strategy where the purpose involves at developing relatively standardized products with global appeals, as well as rationalizing operations throughout the world. In achieving this objective, organizations require to send their designate representatives for overseas assignments in order to maintain the standards of their products or services abroad.

At present there are many international organizations expanding their businesses along with establishing their reputation in this country. The country acknowledges the inflow of expatriates into this country to meet the needs for skilled and professional manpower or human expertise in various fields. It is expected that the country still needs this foreign expertise for 10

to 20 years to come (Shephard, 1996). Hiring expatriates from abroad is one of the ways to expose the Indian workforce toward foreign expertise.

An 'expatriate' can be defined as an individual who is not a citizen of the country of which he or she is assigned to work in. According to Richardson and McKenna (2002), expatriates as professionals who are living in an overseas country on a temporary basis, but normally for more than one year. In general, besides monitoring and controlling the financial distribution and profit gain of the company, an expatriate is expected to extend their knowledge and skills in technology transfer (Shephard, 1996). The expatriates are expected to offer new knowledge for the locals to adapt thus the latter has high respect towards the former at the workplace. The role of an expatriate is regarded as distinctively significant since the main task is to act upon maintaining the organizational structure and philosophy of Multinational Corporations (MNCs) while following the rules and regulations of work within the host country. In the public sector, the expatriates mainly hold diplomatic posts in foreign embassies or as consultants for government agencies; while in the private sector, the expatriate managers are mostly positioned in MNCs that run business operations. Living in a new cultural environment, expatriates are bound to face challenges and make adjustments in their lifestyles in order to make their assignment effective (Ward and Rana-Deuba, 2000; Zakaria, 2000).

Thus, this study conducts research questions. Although there are empirical studies that have been done abroad with regard to the issues of expatriation, but a limited amount has only been done according to Indian expatriates in UK. Therefore, the result of this study is significant in order to add to the <https://assignbuster.com/cross-culture-challenges-and-adjustment-of-indian-expatriate-management-essay/>

body of knowledge, specifically in the field of cross-cultural studies and international management among expatriates in the country. Furthermore, it is hoped to create awareness on issues of adjustments of Indian expatriates in order to build a more productive workforce in years.

Research Aims and Objectives:

A. Aim of the Research:

The ultimate aim of the proposal is to analyse the Cross culture challenges and adjustment issue of Indian expatriate assign to United Kingdom in the Information Technology (IT) industry.

B. Research objective

To analysis the key challenges Indian expatriates faces during overseas assignment.

To analyse how Indian expatriate cope with new working environment.

To analysis how these expatriates cope with the cross cultural differences?

To discuss the obtained finding and to make recommendations.

C. The research questions

What are challenges faced by the Indian expatriates during their stay in United Kingdom (UK) with regard to the differences in culture?

How did the Indian expatriates adjust to cross cultural differences in the country?

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What is the nature of each expatriate assignment expatriates experienced?

What were the cultural differences they found most challenging?

Which personal strengths expatriates find most helpful during there overseas assignment?

What types of training (and other types of support) they receive from firm in UK?

What are the recommendations for future preparation of expatriate? (W-2)

Literature Review

The growing internationalisation of business and the ever increasing number of multinational companies and international joint ventures have resulted in an increase in the dispatch of mainly managerial and technical staff on foreign assignment, for periods ranging from a few months to a few years.

The growing cost of foreign assignments shows the strategic importance that companies attach to this aspect of their operations. According to Selmer

(2001) most companies spend between US\$300, 000 and US\$1, 000, 000

annually on an individual on foreign assignment. But who are the expatriates and why are they sent to foreign subsidiaries by their company? Cohen

(1977) defines an expatriate as a ' voluntary temporary migrant, mostly from the affluent countries, who resides abroad for one of the following reasons-

business, mission, teaching, research and culture or leisure'. Whereas

according to Harry (2003) the term expatriate refers to professional or

managerial staff employed outside their home country either on secondment

from a parent organisation or directly by the host organisation.

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The literature on international adjustment has made a distinction between psychological adjustment and socio cultural adjustment (Searle and Ward, 1990; Ward and Kennedy, 1992; Ward and Searle, 1991). Although these notions are conceptually interrelated, they refer to different phenomena. Psychological adjustment deals with subjective well-being or emotional satisfaction (e. g. depression, anxiety, tension, and fatigue), while socio cultural adjustment relates to culture-specific skills, the ability to negotiate the host culture, or general intercultural competence as measured by the amount of difficulty experienced in the management of everyday situations in the host culture (Ward and Chang, 1997; Ward and Kennedy, 1996). The concept of socio cultural adjustment is based on cultural learning theory and highlights social behavior and practical social skills underlying attitudinal factors (Black and Mendenhall, 1991; Furnham, 1993; Klineberg, 1982). The notion of psychological adjustment is based on a problem-oriented view focusing on attitudinal factors of the adjustment process (Grove and Torbiörn, 1985; Juffer, 1986; Oberg, 1960).

This distinction is compatible with behavioral and attitudinal acculturation as recently discussed by Jun et al. (1997). They suggest that behavioral changes (sociocultural adjustment) may have to be adopted involuntary due to existing circumstances, while attitudinal changes (psychological adjustment) are likely to be more voluntary. A analogous suggestion has been extended by Furnham and Bochner (1986) proposing that the expatriate does not necessarily have to undergo a basic shift in deeply held values to conform to a new set of cultural norms abroad. It is sufficient merely to learn new social and cultural skills, in much the same way as one

learns a foreign language. The new practices need not become part of the permanent repertoire and can be abandoned when they are no longer useful, for example when meeting fellow-nationals or after repatriation.

Black et al. (1991) proposed that the degree of cross-cultural adjustment should be treated as a multidimensional concept rather than a unitary phenomenon as was previously the dominating view (Gullahorn and Gullahorn, 1962; Oberg, 1960). In their theoretical model for international adjustment, Black et al. (1991) made a distinction between three dimensions of in-country adjustment:

to work;

to interacting with host nationals; and

to the general non-work environment.

(website 1)

Since living in abroad offers a different lifestyle and set of experiences for the expatriates, who are facing challenges and making necessary adjustments in order to survive working and living in a foreign country. The changes encountered during cross cultural transitions may appear to be stressful. Adjustments consume time, effort and money. Moreover, it requires patience and interest of the expatriates to make the adjustments a success. There are expatriates who find that the challenges have an influence towards their decision to reconsider staying in the host country (Aycan, 1997). Literature on expatriation shows that individuals from

different cultures may encounter difficulties in comprehending each other's
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values and behaviour towards another. Thus, this may lead to cultural clash (Elashmawi & Harris, 1993). Due to the “cultural baggage” that has been nurtured based on the individual’s own cultural orientation and reward or punishment systems (Elashmawi, 2000), differences of beliefs in a multicultural setting becomes inevitable. Cultural clashes in the workplace can be referred to as an example of a major cross-cultural challenge for expatriates working abroad. According to Asma (1996), among the common challenges that foreigners commented during their stay UK, include the issues of the local public services, cleanliness, environmental awareness and restricted local media.

Culture shock

The expatriate who is unable to understand the cues of his new environment or to perceive that they are different, will feel disorientated often without being able to explain why. Every-day behaviour can no longer be taken for granted and the expatriate may find it hard to evaluate what other people mean or what they think he mean.

All expatriates experience some adjustment problems, indeed to syndrome is so commonplace that it has been given a name culture shock. All expatriates suffer from some degree of culture shock it is their ability to cope with it that is crucial. Culture shock can be a creative learning opportunity but this depends upon having a flexible approach with the knowledge to confront the problem. Culture shock is cyclical and can recur at different period during a tour and possibly on return to the home country.

On arrival it is the physical shocks of shocks of the new country for example the climate, poverty etc, which is experienced first and then gradually some of the subliminal cultural differences can be appreciated. Some become so confused that they retreat into their own cultural world. Quite often they come to understand the differences in culture, but not how to cope with them. (Lewis, 1982)

Adjustment has been described in terms of a U-curve theory (Gullahorn and Gullahorn, 1963). Torbiorn, 1982 was one of the first to apply this theory to expatriates. (Black and Mendenhal explain that there is a first stage called “Honeymoon” in which the expatriate is fascinated by the new culture he is facing. This period usually extends from few weeks to several months. The next phase is called “Culture Shock”: the expatriate is disappointed, frustrated, confused and anxious because of the new culture, customs and values. During the adjustment stage the expatriate become aware of to the importance of adapting to standards. He tries to adapt and blend into the crowd, to extend its relational network. Finally the last stage is the adaptation one where the expatriate succeed in adapting to the host country and construct interpersonal relationships. The adaptation is the ultimate level where the expatriate managed to adapt to the country’s culture, local customs and is able to build relationships. He understands and accepts differences. To alleviate or minimize the failure, the company must identify- using an effective selection- which candidate may resist the best this phenomenon of culture shock (Deresky, 2006).

Many companies dispatch expatriate managers and other senior staff to their subsidiaries in order to maintain their integration into a coherent whole and <https://assignbuster.com/cross-culture-challenges-and-adjustment-of-indian-expatriate-management-essay/>

to maintain effective communication between the HQ and the foreign operation. Pucik (1998) points out, most international assignments are still 'demand driven', and filling positions where local know-how is insufficient or where the authority of the centre needs to be upheld in a more direct fashion. In other words, international managers are teachers, transferring new capabilities and maintaining order. In many companies expatriates sent from the HQ to the subsidiaries tend also to have a culture-building role.

In addition to adjust in unfamiliar surroundings, expatriates have to cope with a state of dual loyalty: to the HQ and to the subsidiary in which they work. At times, there could be some conflicts between the two, especially when there are fundamental disagreements over certain issues between the parent company and the foreign subsidiary.

The expatriates have to cope with such conflicts and deal with them appropriately. In their interviews with expatriate managers, Black et al. (1999) found that the most common source of conflict for those expatriates who had high allegiance to both the parent company and subsidiary was conflicting expectations, demands or objectives between the parent and the foreign operation. Although it was clear what was expected of the expatriates, the expectations of the organisations were different. In this connection Black et al. (1999) identify four types of expatriates, depending on the stand they take with respect to their loyalty. (Tayed. 2005)

1. Expatriates who 'go native' are those who have higher loyalty to the subsidiary than they do to the parent company and usually form a strong identification with and attachment to the larger cultural context in which

they work, including its business practices and values. There are both advantages and disadvantages of going native. For example, it will be difficult for the parent company to get its corporate policies or programmes implemented properly in the foreign subsidiary. On the other hand, these expatriates understand host-country employees, customers and suppliers. As a result, they can adopt management styles which are compatible with the values and attitudes of the local employees; they can also adapt products and services to suit the local market.

2. Expatriates who 'leave their hearts at home' are those who have higher loyalty to the parent company than to the subsidiary and its wider business and cultural context. Here some of the advantages and disadvantages are the reverse of the above. These expatriates make it easier for the HQ to coordinate its activities with the foreign subsidiary. On the other hand, because of their tenuous identification with the host country, they may try to implement and enforce inappropriate programmes or even end up offending the local employees, customers and suppliers.

3. Expatriates who see themselves as 'dual citizens' are those who have high allegiance to both parent company and the local subsidiary. They feel a responsibility to try to serve the interests of both organisations. One of the advantages of such expatriates is that they can adjust well and quickly to the local culture and environment. At the same time they are responsive to directives from the HQ. However, they require serious thought and commitment from the company. They are also a rare breed and may be quite attractive to other firms who might head-hunt them.

4. Expatriates who see themselves as ' free agents' are those who have a low level of commitment to the parent firm and the subsidiary in which they work. These free agents are primarily committed to their own career and move from one firm to another and from one country to another. MNCs tend to view such free agents with a degree of ambivalence. On the one hand, these expatriates are relatively less expensive than those sent from home. And in addition they have already demonstrated that they can succeed in global settings and have specialised skills that may be lacking in the MNC's internal managerial or executive ranks.

On the other hand, free-agent expatriates often leave with little notice, and replacing them is usually costly. Also, free agents sometimes serve their own short-term career objectives which may or may not be in the long-term interest of the local operation or the parent company. (Tayed. 2005)

Another issue to be taken into consideration is gender in expatriation. According to Caliguiri and Cascio (1998), besides understanding the cultural differences, women should be aware of the differences in gender as well. In male-dominated society women expatriates may face cultural differences, which could affect their performance in international assignments. In order for these expatriates to overcome the challenges they encounter, Fish and Wood (1996) stated that understanding the differences in cross-cultural settings and applying it within the role of an expatriate and the organizational structure, may assist in better adjustments for the expatriates and gain better acceptance by the local employees. With reference to a study done by Tung (1998) towards 409 expatriates on assignments to 51 countries around the world, majority of the expatriates took six to twelve

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months to feel comfortable living in a new cultural setting. Aycan (1997) emphasized that there are three aspects of adjustments, namely psychological, socio-cultural and work adjustments. An alternative to which these expatriates can prepare themselves with these adjustments is through cross-culture training (CCT). Caliguiri (2000) add that the goal of CCT is to minimize “ cultural shock” when on foreign deployment and enhance the managers’ cross cultural experience. In terms of behavior, the ultimate objective is to improve the functional skills of managers on overseas’ assignments. CCT is important in order to improve functional skills and to minimize cultural shock among expatriates during their international assignments. Richardson and McKenna (2002) further confirm that support in the form of CCT is important for overseas appointment otherwise the expatriate managers would repatriate prematurely.

This study is based on cross-cultural management theory by Bartol and Martin (1998).

It is a process in which the management takes into account cultural differences and ability to adapt to the different cultures. Culture of a society helps to develop the mentality of the people in the society. Culture guides the mind and influences the ways people perceive matters, act politically, make and prioritize decisions, manage their lives and basically on ways they think. One should not separate self-awareness and cultural awareness. One has to go beyond the meaning of culture itself in order to have a better awareness of how culture influences our personal lives.

India is overflowing with in brain drain again. Many Indian expatriates are ready to accept the challenges. “ I think that cultural adjustment stands as the biggest problem for Indians who want to live and work in USA and Japan, the challenge is greater for Indians working abroad because cultural differences are greater.

Methodology

The present research has adopted the qualitative methodology. Until 1970s, qualitative research was very much the Cinderella of market research, often dismissed as not serious, lacking in scientific rigor, non-replicable, non generalisable and subjective. However, in the past couple of decades, the amount of qualitative research undertaken has undergone an explosive growth (Cohen, 2007). The present study involves conducting semi structured interviews and the use of Questionnaires. The research work falls under the category of non commercial practitioner.

For the evaluation, open and semi structured interviews, with various clients and staff will be conducted to acquire more knowledge about the facts of o2 online services. Use of multiple informants and use of archival data helps as cross-check pertinent information and verifies the reliability of data obtained.

Based on the analysis from the data obtained, results and recommendations will be portrayed.

One of the major strengths of the qualitative research, particularly interview based methods , is its potential for creativity and its frequently used to generate ideas for new produ0cts or ideas for modifying products to identify

gaps in the market place, or to generate advertising themes or ideas for promotional activity.

Client-based qualitative marketing research seeks to explore and understand customer or supplier attitudes, perceptions, motivations and behaviours on behalf of client organisations. It does so by constructing data that are largely qualitative in nature (Cohen, 2007)

This study applied a phenomenological qualitative study due to the fact that it attempts to explore the experiences in terms of challenges and adjustments of expatriates in the context of cross-cultural setting. According to Merriam (1998) the focus of phenomenological study is upon the “essence or structure of an experience (phenomenon). Thus, it will require the researcher to interpret the experiences that the informants encounter.

However, personal biases or beliefs should be put aside while doing this type of research, so that it will not interfere with the seeing the structure of the phenomenon. Berg (1998) further supports that qualitative study enables a researcher to share in the understandings and perceptions of other individuals and to explore how they structure and give meaning to their daily lives. It requires the researcher to interpret the experiences, which the informants encounter.

What is qualitative research?

Qualitative research is a type of scientific research. In general terms, scientific research consists of an investigation that:

- seeks answers to a question

- systematically uses a predefined set of procedures to answer the question
- collects evidence
- produces findings that were not determined in advance
- produces findings that are applicable beyond the immediate boundaries of the study

Qualitative research shares these characteristics. Additionally, it seeks to understand a given research problem or topic from the perspectives of the local population it involves. Qualitative research is especially effective in obtaining culturally specific information about the values, opinions, behaviors, and social contexts of particular populations.

Table 1. Comparison of quantitative and qualitative research approaches

Quantitative

Qualitative

General framework

Seek to confirm hypotheses about

phenomena

Instruments use more rigid style of eliciting and categorizing responses to questions

Use highly structured methods such as questionnaires, surveys, and structured observation.

Seek to explore phenomena

Instruments use more flexible, iterative style of eliciting and categorizing responses to questions

Use semi-structured methods such as in-depth interviews, focus groups, and participant observation.

Analytical objectives

To quantify variation

To predict causal relationships

To describe characteristics of a population

To describe variation

To describe and explain relationships

To describe individual experiences

To describe group norms.

Question format

Closed-ended

Open-ended

Data format

Numerical (obtained by assigning numerical values to responses)

Numerical (obtained by assigning numerical values to responses)

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Flexibility in study design

Study design is stable from beginning to end

Participant responses do not influence or determine how and which questions researchers ask next.

Study design is subject to statistical assumptions and conditions.

Some aspects of the study are flexible (for example, the addition, exclusion, or wording of particular interview questions)

Participant responses affect how and which questions researchers ask next.

Study design is iterative, that is, data collection and research questions are adjusted according to what is learned.

(w-3)

Resource and planning

Resource in the study includes data collection and key research question which are based on the objectives of the study. The key research questions can also be regarded as the main objectives in the study. This reveals the information on the cross culture challenges and adjustment of Indian expatriates assign to UK. The study includes 5 key research questions,