

The importance for effective expatriate management management essay



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As the title suggest, this write up has been done to evaluate the case study of a London based multinational pharmaceutical firm who had consecutively assigned two of their staff for a same international assignment based in Tokyo. The position which was earlier had been assigned to Clarence Mitchell was later been assigned to Carol Williams as former had to call off his assignment within nine months due to the pressure from his family. Carol Williams who previously worked as junior sales manager grabbed the chance that she yearned for but similar to what had been faced by Clarence, Carol faced problems in adapting to the new environment as well as affecting her own performance in the firm. At first, the write up briefs the adjustment expererience of Carol Wiliams, Clarence Mitchell and his family had on the international assignment. What they have done and what they should have done? This chapter includes the underlying theoretical findings of the thesis. The issues of expatriate management and the process of expatriation are introduced, which includes pre-departure training, cross-cultural adjustment during the assignment and repatriation. Furthermore expatriate failure and the importance of cultural impact on the expatriation process are discussed.

2. 0 UK & Japan Cultural Dimension & Expatriate`s Cultural Adjustment

In order to more fully understand UK and Japanese behaviour, it is necessary to fully comprehend the complex relationship between the two cultures. This section of write up will evaluate the key difference between United Kingdom and Japanese culture by using the Hofstede and Trompeenars cultural model. Following the concept of the interdependence between business and national culture, Hofstede who made a study of 64 nations, from which he created a

set of cultural dimensions arranged along bipolar scales, which he argues broadly encapsulates national preferences. They include: Power Distance, Individualism, Masculinity, Uncertainty Avoidance, and Long-term versus Short-term orientation. Trompenaars looks at cultural differences in a similar manner to Hofstede, applying bipolar scales, but he adds extra dimensions, including Universalist/Particularist and Specific/Diffuse. These preferences, although useful in gaining a general overview of a country's culture.

Before the models are reviewed, it is important at first to look at the few of example behaviours of the two cultures which is depicted in figure 1. In figure 1, the action titles in bold, including gestures, emotion and dress, indicate similarities between the two cultures' manners, which suggest that both the British and the Japanese are quite formal and restrained in their business conduct. However, there are abundant differences, the reasons behind which need to be addressed that will be explained in the models.

Fig. 2 presents a table of Hofstede (1993), Trompenaars (1993) scales, which compare the UK and Japanese in terms of general cultural preferences, helping to explain the reasons behind the actions described in Figure 1.

Power Distance: Japan scored highly in the Power Distance dimension, which correlates with the strict hierarchical system at the negotiating table, from bowing to seating arrangements. On the other hand, the UK scored lower and, although important members are recognised, it is not as important.

Individualism/Collectivism: The British are highly individualistic in their thinking, displayed by their using inner judgement to make decisions. In addition, a sequential form of thinking, such as discussing issues by their

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individual parts, points to an individualist culture. The Japanese scored lower on this scale, identifying their collectivist tendencies and explaining their consensus-based decision-making and tackling problems holistically. Their diffuse manner of speech is also indicative of a collectivist demeanour, as there is more risk in causing insult when addressing a group, rather than an individual. If one person is offended, the whole group, in turn, is offended.

Masculinity/Femininity: The Japanese appear to be very masculine in cultural preference, which may be for example expressed in the hierarchical system observed in the seating arrangements. This implies a paternalistic culture, where the leader is a father figure, both commanding and protecting his subordinates (Cleary, 1991). The UK is still fairly less masculine, but less so as indicated by the more relaxed approach to a hierarchical system.

Uncertainty Avoidance: The Japanese appear to be very risk adverse, perhaps due to their collectivist nature and subsequent stringent rules, as more people need to be taken into account when taking risks. The British have lower uncertainty avoidance, implying that they are more likely to take risks. This may be linked to their individualist manner, as they perhaps do not have to consider the resulting effects on other people to the same extent as the Japanese. An individualistic culture also has fewer social rules to follow and thus fewer to break.

Orientation: The sequential thoughts of the British, of tackling issues in smaller parts and resolving negotiations as quickly as possible, may be a symptom of their short-term orientation, as “ saving time” is given precedence. The Japanese seem are far more long-term orientated. This is

manifested in their holistic, group-orientated thinking, which requires more time and patience for the group, rather than an individual, to agree on the whole issue (Buruma, 1995).

Universalist/Particularist: The British are universalist in nature, as they follow established regulations and live by concepts of absolutes, such as good and bad, which apply to all situations. This both explains the formal behaviour of the British and highlights the superficiality of the similarity with Japanese formalities, which are based on stringent social rules. Cleary (1991) compares the universalist behaviour to the Japanese, who place more of an emphasis on the group and building mutually beneficial relationships, meaning that rules are likely to be more particularist to accommodate constantly changing social situations.

Specific/Diffuse: The British are reportedly direct in speech, first discussing the topic at hand and working outwards to less relevant points. As above, the British are also individualistic, meaning that there is less risk in direct criticism. The Japanese have a diffuse approach to speaking, discussing the history and background surrounding the problem and gradually working towards the main issue. The pre-eminence of the group over the individual also means that Japanese have greater consideration of others, meaning that they avoid direct criticism. Cleary (1991) relates this to the Japanese concept of inside (“ura”) and an outside (“omote”)

2. 1 Expatriate Cross – Cultural Adjustment

This section explains in general the difficulties faced by Clarence and Carol due to the cultural difference that had been stipulated above. Expatriates

will go through a process called cross cultural adjustment soon they arrive to a foreign environment. Job satisfaction and socialization in the host country is seen as two strong predictors of cross-cultural adjustment.

An adjustment curve which is depicted in figure ?? had been developed to explain different phases that will be faced by expatriates when they face the cultural adjustment.

Figure ??? The phases of cultural adjustment, (Dowling & Welch, 2004, pp. 91)

The first phase which is the tourist or honeymoon phase is when expatriates face emotions such as excitement, uncertainty which could end up either to positive or negative emotions. During this stage expatriates will have an upswing mood but eventually the excitement reduced as the time passes by. This explained the situation on the second phase as when new environment might be hard to be accepted by the expatriates which eventually leads them to homesickness where expatriates deemed to feel the culture shock. This phase is important for the expatriate to get through as it may affect negatively on his or her performance at the host company. However expatriates will start to acknowledge the demand of the new environment as they reach the third phase.

It can be seen on the figure that there is a inclination effect from the third phase to the fourth phase where the expatriates has well adapted to the new environment. This curve is the common adjustment process that expatriates will normally face but as humans have different reactions, it may not

applicable to all individuals. (Dowling & Welch, 2004). Apart from that, four <https://assignbuster.com/the-importance-for-effective-expatriate-management-management-essay/>

dimensions are seen as important for achieving acculturation which expatriates should have; self orientation, other-orientation, perceptual skills and cultural toughness (Lee, 2005).

To explain the above???

3.0 The Need of an Effective Expatriate Management and Cost of Poor Management

The firm in the case study at first must understand the goal of expatriation process which the ultimate aim to direct or indirectly benefit the firm otherwise there is no necessity for expatriation. Expatriation is seen as an integral way of gaining foreign market as well as increasing firm`s international reputation and profits. In an employee point of view, the reason for expatriates to accept international assignments is the expectation to advance in their careers upon return. Therefore expatriation management must be given importance on which it has been basically derived from 5 dimensions in international human resource which is shown if figure ??.

It can be seen that the firm in the case study has a poor utilization of expatriate selection methods which explain their expatriate`s failure. The firm also did not provide much needed effective training and development programs to their expatriates prior to their international assignment. As for the case of Clarence Mitchell, the inability of his spouse and his family to adjust to the foreign environment has brought to abrupt end to his international assignment which may be due to the lack of training and support given by the firm before the expatriation process. It can be clear seen that the expatriates had hard time to handle relations with people from

other culture and also had poor personal adjustment to the new environment that leads to premature return. The premature return of expatriates also yields indirect costs like missed opportunities of market development and revenues abroad (Farner & Luthans, 2002). Expatriate failure increases the cost for the home country company in form of additional recruitment cost, relocation expenses, premium compensation, repatriation and replacement costs, and the cost of poor job performance. Expatriates that choose to return home before the assignment is finished might face consequences as lost self-esteem and selfconfidence. The expatriates' consequences lead to more problems for the parent company, like reduced productivity and reluctance among other employees to accept international assignments (Medich, 1995).

4. 0 Steps for an Effective Expatriate Management

It is an important fact that when addressing expatriate failure, more attention should be focused on clear directions about the expatriate's job tasks abroad and well developed training programs should be provided for the expatriate and his/her family. The cultural training and adjustment are very important and the expatriate and his/her family should get help with these issues both from the home country company before departure.

First the organization should develop tailored pre-assignment preparation strategies for the expatriates to help the expatriates ease the adjustment, like pre-departure training. Second, when on assignment the organization should provide the expatriates with support, in form of local mentors and contact persons at home, which can be referred to as the assignment

support strategies. These strategies are used to prevent the expatriate to
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feel isolation from the organization at home and ease the adjustment at the current work environment. Last is the use of repatriation support strategies to ensure that the expatriate will not resign from the organization whilst back home and ease the repatriation process for the expatriates (Bruning & McCaughey, 2005).

4. 1 Training and development

Once an employee has been selected for an expatriate position, the next step is the predeparture training with the main aim of the training is to improve the employee`s overall working performance and adjustment ability in a foreign environment. An effective pre-departure training that provide the expatriate with a smooth transition to a foreign location consist several elements such as cultural awareness training, preliminary visits, language instruction and assistance with practical day-to-day matters (Dowling & Welch, 2004).

Cultural awareness is very important for expatriates working in a host country. Cultural training should help the expatriates to more effective communication and understanding of people from different cultures.

Expatriates those values cultural differences are more effective in managing multicultural teams (Farner & Luthans, 2002). Properly designed cultural awareness training enable expatriate to be aware of the host country`s culture which will help them to facilitate cultural shocks more easily and also helping them to create more realistic expectations in a different cultural surrounding (Fink, Meierewert & Rohr, 2005). Four dimension need to be customized by firms to the particular where the expatriate will be assigned in

the cultural training which include communication, negotiation styles, social relations and family lifestyle adjustment.

An Effective training can be achieved when contingency factor utilized while designing the training program. It should be designed such it helps expatriates to gain management skills and interpersonal skill while improving their efficacy building and leadership abilities. The duration of the program may vary depending on the dissimilarities between the cultures and also depending on the type of assignment and the purpose of the assignment. Preliminary visits must be provided to the expatriates and their family before the international assignment. This is to enable them to feel the environment of the host country as it provides them the first hand information of the country's economy, market and its government. In order to improve the expatriates' effectiveness and ability to negotiate, language training is an integral element in pre-departure training, in this case where English is not the main language in the host country.

4. 3 Ongoing Expatriate Support by Employers (must rephrase-contents ok!)

When living and working in the host country, several dimensions of cross-cultural adjustments have been defined; like adjustment to work, general adjustment, and interaction adjustment. Adjustment to work becomes difficult if the work is unclear, discretion is fairly given or conflicts about possession of roles. Therefore, to assist the expatriate's work adjustment, the host company may appoint the job predecessor to work with him or her. Adjustment to the general environment refers to reactions to daily affairs such as education, housing, food, education, transportation and so forth.

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Firms should also provide assistance to the expatriates and his/family before they reach the host country where the assistance should be given in form of searching appropriate accommodation and education centres (Dowling & Welch, 2004). The adjustment to interaction with local nationals is the most difficult dimension of adjustment for the expatriate and the family.

Communication and behavioral patterns, language skills, relational issues and such may be hard to cope with, which create frustration and anger. The support by the host company may in many cases minimize the difficulty of adjustment for the expatriate (Barsoux et al., 2002).

It should be noted that family members might experience different adjustment phases than the expatriate and at different times. Hence the expatriate's ability to adjust to the new environment can therefore be affected by the spouse's behavior towards the new life in the host country which in turn could affect the expatriate's performance.

4. 4 Repatriation

It is anticipated that high rate of turnover of expatriates can be seen as they would have gained valuable international experience upon their return which leads to a great loss for the company if they leave. Therefore the firm must develop an effective repatriation strategy to tackle these problems.

Repatriation is seen as the final link to the completion of international assignment and it is also seen as importance for the firm to examine the repatriation phase in order to increase the retention rate of expatriates. The firm must understand that repatriation period will have impact on expatriates both professionally and personally on which they must pay

attention to three factors which is work environment, sociocultural and family, for a successful repatriation process.

During the repatriation process, expatriates will face four phases in the repatriation process, which are preparation for the return, physical relocation, transition which includes making arrangements for housing and selecting school for the children and last re-adjustment to the home country and the home country company (Dowling & Welch, 2004). To ensure a successful repatriation programme, expatriates must have an agreement with the firm that outlines their task upon return which will reduce the expatriate's ambiguity upon return. During the assignment there should be continuous contact between the home country company and the expatriate, also the expatriate should be offered mentoring programs whilst on assignment.

A successful repatriation program will also offer the expatriate career management activities and pre-departure briefings of the repatriation process, just before the actual return. After the expatriate have returned the organization should offer training seminars that help the expatriate and his/her family to re-adjust to the lifestyle at home. The organization could also offer financial counseling, an orientation program about the changes in the organization, give the expatriate some adjustment.

5. 0 Conclusion