

Expatriate failure assignment



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Studies undertaken in this area have shown that there is a high rate of failure among expatriates mainly because of their and their families' inability to deal with the uncertainties associated with. Reasons for this failure can be improper selection criteria and mechanisms, lack of earlier international experience, cross cultural training, individual factors, job related factors, home country situations, host country situations, and various other non-job related reasons (Black, et al, 1991).

These failures can, not only be detrimental to organization's growth in overseas but also can create problems in the personal life of these elite executives. This essay tries to investigate the reasons for the expatriate failure and suggest remedies to bring down the percentage of this evil or if possible completely eradicate it. Proper understanding of the term 'expatriate failure' will help in finding the reasons as well as to suggest remedies.

According to Lee (2007), presently available literature lacks wider acceptance because, expatriate failure is studied on the basis of only premature return and it fails to show the true picture of the extent of this vicious phenomenon. The use of this definition can be misleading and can cover up underlying issues, as it implies the completion of duration of expatriate tenure is a definite success and completely forgets the important factors like achieving performance objectives, repatriation difficulties and undervaluing the skills and knowledge developed by the expatriates.

With this wider perspective reasons for the expatriate failure can be analyzed in a more fruitful and meaningful manner (Harding, 1995; Harrison, 1999). Reasons for the failure of expatriates Various studies have

established the failure rate of expatriates is exceedingly high. The cost incurred can be substantial (Sanchez, et al, 2000; Forester, 1997). The Survey conducted by GAMMA Global relocation in May, 2008 identified three main reasons for the expatriate failure (Halide, et al 2010) .

These reasons are, finding right candidate, helping employees and their families and retraining these employees once the assignment is completed. Existing literature review demonstrates, selection of the appropriate expatriate, absence or poorly developed cross-cultural training programs and spouse and family related issues (Zaire; Banzai, 1985; Black ; Maidenhead, 1990; Black ; Stephens, 1999) . Some others point out technical Incapability and lack of home country support (Lee, 2007) can also contribute to this failure.

For a fruitful discussion all these reasons can be grouped into four 1) Selection of Appropriate Candidate categories. 2) Cultural adaptability 3) Spouse and family related issues 4) Lack of home country support. Selection of appropriate candidate – In most of the cases perfect candidate is just a dream for the HR managers. They have to choose from the available candidates who are willing to be relocated. Along with lack of availability of good candidates there is a lack of consensus among HR managers in deciding the criteria for selection of expatriates.

A study conducted by Tune (1987) found that companies put over emphasis on technical capability while selecting the expatriates, but the study proved that this reason is not among the first five contributors in expatriate failure. A research conducted by Stone (1991) among Australian and Asian

managers demonstrated that different managers ranked different criteria for expatriate selection. Foreign postings are no longer seen as golden opportunity and they are being turned down as they are not worthy enough the struggle .

The result of a survey conducted by Pay ; Benefit consultant, William M, Mercer. (Clarke, 1997) demonstrated that expatriate staff in general is let down by the selection and grooming procedures. Fifty percent of the organizations do not have a structured selection procedure and do not give any cultural briefing for the workers ready to go overseas. Employers have started understanding the difficulty in finding the right and willing staff along with need for integrating HR strategies for selection and recruitment of international positions.

Cultural adaptability- Expatriates have to deal with different ways of life and unaccustomed work environments which can be a cause of increasing stress. Research conducted by Seller and Lung (Halide et al 2010) showed that expatriates who find it difficult to adjust work and life in the foreign country are expected to perform poorly. According to another survey conducted by Just landed in 2008(Halley, et al, 2007) found that the biggest problems were adapting to local culture (85%) followed getting new friends (72%) and 42% was related to the difficulties with learning the new language.

Most of the time spouse who deals with the local people needs more support. However detail may be the cultural training given by the HR department it is impractical to expect an executive to acquire everything about the culture of a country prior to traveling to that country. According to Black, quoted by

Wang (2008) factors like urge for adjustment, skills and management capability, social relations, tolerance to uncertainty, faith and ability to satisfy expectations can help to reduce the cultural shock in the host country.

Cultural intelligence could help the expatriates to face the cultural differences in a utter manner Spouse and family related issues - Family related issues are higher because of the profile of the typical expatriate employee. Most of expatriates are aged between the age of 30-40 and this is the time of highest family commitment. More than 60% of the expatriates take their spouse when they take an overseas assignment. This most of the time end up in partner sacrificing established carrier and compensation.

One of the research conducted by ACE International (Clarke, 1997) found that the number one reason for turning down international opportunity is the disruption of partner's career. Children schooling can be another major reason . Recent discussions with a I-J expatriate in China pointed out the security & safety issue of teen age children is a growing issue for many expatriates as they become rebellious because of the new culture and missing of friends. William M, Mercer study showed that, one third of the companies put some kind of an effort to prepare ten Tamales out oaten Ana up long It supernaturally.

Lack AT none country support - Expatriates need support before leaving the country, while working overseas and while returning. Expatriates may face many hassles in the host country ND support from the home country can serve as a source of relief for them. Support does not end in having a good

pay package and cultural training. Support is required in work and non work related areas. A study conducted by Shaffer and Harrison (1998) proved that support for the direct, indirect and moderate influence of non work satisfaction can be decision points for expatriates quit their assignments .

Virginia Hollies, vice president of ICING international expatriate benefits (CUBE) commented recently that organizations have to spend little more to take better care of expatriates as it is cheaper than losing good people. During assignment expatriates are faced with serious challenges both in daily life and business activities. Research sponsored by CUBE, Worktable, and National foreign trade council found that expatriates lack required preparation, assistance while on assignment and appropriate support for repatriation.

The expensive bottom line is that almost 44% of expatriates leave their company within two years of the contract (PR Newswire, 2001). And appropriate support system can definitely reduce the expatriate failure rate. Suggestions & Recommendations Success in international business depends upon the globally effective human resource management. Today's MNCs are not only challenged by internal issues but also with the norms of other countries and international competition . The following suggestion can help the reduction of expatriate failure if implemented properly.) Good HRM practices- This includes the fixing of appropriate selection criteria, overall expatriate packages including repatriation, and integrating HRM practices globally. HRM has to be an integrated part of the international business to acquire necessary importance. For this further researches and studies to be undertaken with the wider definition of expatriate failure. 2) Developing

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cultural intelligence (HER. Magazine, 2008) is the best available solution for facing the cultural shock effectively.

This is uniquely tailored for the individual and provides an integrated approach towards learning, motivational and behavioral features. It is built on a unifying psychological model of cultural adaptation rather than piecemeal and country specific approach to training. 3) There is no one single readmes solution for the family related issues. The best thing any organization can do is to prepare the family beforehand. Ellison (Clarke, 2010) suggests people to visit the country before hand to look for schools and prepare other necessary requirements.

He also encourages spouses to attend the cross-cultural training classes and most importantly to learn the language as it is not only useful but also widens the social circle as they meet similar people. Dual career resolution still remains a big issue but some organizations have started in supporting the expatriate to find suitable Job for the spouses in organizational level itself. 4) Integration of global HER activities is the key to make sure ongoing support for expatriates. Virginia Hollies (PR Newswire, 2001) recommend a five ' C' approach in this area.

These are culture, compensation, co-ordination communication and career. Culture preparations will support the expatriate to understand the difference between living in a country and visiting like a tourist. Compensation will give confidence and he/she will not feel pinched, and co-ordination deals with the ongoing support Ana return none Issues. Communication Ana career will link with the head office HER team and address any related issues. Conclusion

Expatriate failure is the byproduct of the increasing internationalization of the organizations and in appropriate supporting systems to substantiate these teen requirements.