

Many challenges for expatriates to live and work management essay



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Introduction

Nowadays, International Human Resource Management (IHRM) is considered to be important in organizations to compete in the global and market environment. Within the IHRM, management of expatriate employees is a primary field. With the development of globalization, employees are offered more opportunities to do business abroad. However, there are many challenges for expatriates to live and work in the host country, such as culture-sock, language or instructional behaviours. Consequently, what can companies do to decrease the challenges for their staff? Pre-departure training seems to be a good answer for this question.

Pre-departure training programs play an important role in multinational companies (MNCs). A departure training program can help expatriates to face fewer difficulties when they work overseas. Many MNCs was successful in their business by sending their employees abroad for pre-departure training while some companies found it not really necessary. Therefore, pre-departure training programs are really necessary for MNCs or not? It can be answered by many researches about expatriate training as well as how companies provide pre-departure training programs to their staffs.

The Challenges of expatriation.

In the globalization and competitive market environment, business is no longer limited by national boundaries (Ashamalla, 1998). The majority of many large corporations over the world perform their business outside their home countries. The employees are required to work in overseas assignments, so they become expatriates. An “ expatriate” can be described

as an individual who is assigned to work in the country where he or she is not a citizen (Tahir and Ismar, 2007). According to Richardson and Mc Kenna (2002), expatriates are professionals who are living in a foreign location for about one year on a temporary basis. Living and working in a new cultural environment, they have to face many challenges and they need to adjust their lifestyles in order to make their assignment successfully (Ward and Rana-Deuba, 2000; Zakaria, 2000).

The most common difficulties which expatriates have to suffer are culture-sock and language. The changes happened in cross-culture transitions make expatriates more stressful.

For instant, Goodall(2006) found that all the expatriates who live and work in China usually experience some degree of culture sock. Language is also a challenge for the expatriates as they find it's difficult to communicate with the citizens. In addition, there are other difficulties which expatriates must face, depending on each country. Take Malaysia for an example, the local public services, cleanliness, environmental awareness and restricted local media are the issues which foreigners commented when they stayed in this country (Asma, 1996).

Aycan (1997) claimed many expatriates found that the challenges had influenced to their decision to stay in the host country. Moreover, the success of the international assignment is greatly depended on the expatriates' cross-cultural adjustment (Caligiuri, 1997). It takes many time, money and effort of expatriates in order to adapt with the new culture and make successful in the adjustment. The adjustment process can be displayed

as a U-shaped curve, which is divided into four phases. The first phase is considered as a period of enchantment when the expatriate has a lack of communications with locals and new culture. This phase can be known as the “honeymoon phase” and it lasts when the expatriate begin his or her day-to-day life (Selmer, 1999). After the “honeymoon phase”, the expatriate is depressed when he or she realizes the difficulties as well as culture sock. Culture sock affects all of expatriates even if they have been on other international assignments before. Some people can pass this phase and stay until the end of assignment while others choose to come home earlier. The expatriates who passed this phase are referred to the “adjustment phase” (Black and Mendenhall, 1991). They have to find a way to cope with the situation such as learning local language or following the new culture. However, in the adjustment process, there are the remains of many feelings and experiences from the culture sock which causes difficulties to clear between two phase. (Grove & Torbiörn, 1985). The last phase is “completion phase”, appears when the expatriates have done well in their adjustment and are able to adapt with the new environment ((Black & Mendenhall, 1991). When they finish the overseas assignment and come back, maybe it will be a difficult time to readjust to their home countries.

The second phase is the most important phase in the adjustment process because it impacts the decision of expatriate to stay or leave and it decides the success of assignments. Many expatriate assignments were unsuccessful due to the inability of adjusting to the new environment, especially the adjustment of their spouses (Lau, 2007). According to some studies, there are from 25 per cent to 40 per cent of failure American expatriations,

depending on the location assignment (Fortune, 1995). Moreover, some research about the expatriation in Asia found that the expatriate failure rates ranged from 4-15 per cent (Tung, 1981), 16-40 per cent (Black, Mendenhall and Oddou, 1991), 25-40 per cent (Relston, 1995), 20-50 per cent (Morley, Burke and Finn, 1999) and about 70 per cent (Shay and Bruce, 1997). Nevertheless, these figures had a myth of high expatriate failure rates and the most reliable researches are those done by Tung (1981) and Forster (1997), the range of 4-15 per cent and 0-18 per cent respectively (Harzing, 2002). Vamer and Palmer (2002) found that if an expatriate failure happened, organisations could be lost from US\$ 250000 to US\$ 1000000. Therefore, in order to avoid expatriate failure, it is very useful for companies to provide their staffs a preparation before send them overseas for international assignments. Cross-cultural training or pre-departure training programs are good solution for expatriates in this issue.

The effectiveness of pre-departure training

The main purpose of pre-departure training is to facilitate the expatriate's adjustment in working and living demands in a foreign country (Downling, Festing, Engel, 2008, p149).

The pre-departure training programs can include these components: cultural awareness programs, preliminary visits, language training and practical assistance (Mendenhall and Oddou, 1986). In addition, according to different learning process, type of job, country of assignment and the time available, Tung (1981) identified five categories of pre-departure training: environmental briefing and cultural orientation, culture assimilators, language training, sensitive training and field experiences.

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Cultural awareness programs prepare the understanding of the host-country culture for the expatriate so that the expatriate can have behaviour appropriate to coping patterns (Downling, Festing, Engel, 2008, p141). It helps expatriates interact effectively with people from another culture, and prompts them to a quick adjustment in a new environment (Mendenhall and Oddou, 1991).

Preliminary visits offer employees a preliminary trip to the host country, so that they can gather information about the country where they will live and work in a period of time. It is very useful for them to evaluate their adaptabilities in the overseas assignment. In 1997, the result of a European survey is about 53 per cent of organizations always provided preliminary visits for their staffs. (Downling, Festing, Engel, 2008, p144).

Language training is an enviable program of pre-departure training. It improves the ability of expatriates to communicate with citizens in the host country. English is the primary language which is most necessary for expatriates. In the recent time, English is considered as the international language which is spoken all over the world. English training is especially important in non-English-speaking countries, such as India or China. However, in English-speaking countries such as the United Kingdom, Australia or the USA, most of organizations found English training is not necessary. (Downling, Festing, Engel, 2008, p145) That is the reason why Hurn (2007) mentioned about language training: " This is an obvious, but much neglected, area". In 2002, the ORC Worldwide poll reported that 59 per cent of the responding companies provided before the departure and 74 per

cent provided language training while their staffs were on assignment (Downling, Festing, Engel, 2008, p145).

Practical assistance is another program of pre-departure training. This program promotes the adaptation of expatriates and their families when they move to a new environment.

How companies provide pre-departure training programs for their employees.

An expatriate's adjustment is one of the most important factors makes international assignments success or fail. Understanding the role of cross-cultural training, many multinational corporations offer pre-departure training programs to their employees prior to an overseas assignment. The number of MNCs which are offering a cross-cultural training increased over period of time. For instance, in early 1980s, there were about 32 per cent of MNCs offered cross-cultural training (Tung, 1982). In 1998, almost twenty years later, 70 per cent of the 177 MNCs surveyed by Global Relocation Trends Survey Report provide cross-culture of at least one day's duration (Windham International & National Foreign Trade Council, 1998). However, the number of companies which provide pre-departure training is different according to nationality. According to Tung's study (1982), MNCs in USA used pre-departure training for expatriates less than MNCs in Europe and Japan. There were only 32 per cent of US MNCs in comparison with 69 per cent of European MNCs and 57 per cent of Japanese MNCs. A recent survey in 150 companies from USA and Western countries found 69 per cent of the participated companies offer a least one-day cross-cultural programme and

the average of participation rate of expatriates is 67 per cent (Global Relocation Services, 2002).

Robert Bean (2006) have done some surveys on cross-cultural training in Australia and included the results in his report. According to Bean, more than 60 per cent of participants want more cross-cultural training and 88 per cent recommend that it should be compulsory for all employees in customer contact positions. By doing surveys of the effectiveness of cross-cultural training on 515 training participants in 39 groups from 31 government and community organisations, Bean (2006) found 28 per cent response. There are five types of cross-cultural programs which the participants attended, 51 per cent in cultural awareness, 22 per cent in specialized training, 16. 2 per cent in cultural diversity, 7. 4 per cent in working with interpreters and 3. 5 per cent in train-the-trainer. In comparison between the poll results in 2005 and 2006, there is a significant increase of three areas: 12. 3 per cent increase in understanding of organisational policies and issues regarding cultural diversity, 17. 1 per cent increase in knowledge of cross-cultural communication skills, and 16. 7 per cent increase in knowledge and understanding of the customs, values and beliefs of diverse cultures (Bean, 2006).

A case study of Ericsson.

To understand deeply about how companies implement pre-departure programs for their staffs, Ericsson is a good example. Ericsson is a Swedish telecommunication company which has 78, 000 employees from 71 varied nationalities working in 110 different countries. Ericsson has been providing cross-cultural training for its employees since 1978 (Ericsson Internal, <https://assignbuster.com/many-challenges-for-expatriates-to-live-and-work-management-essay/>)

2009a). There are totally 1, 615 expatriates who are working in Ericsson in the present and about 1492 (92 per cent) of them are men. In the first quarter of 2009, the number of expatriates who are in Sweden, the host country is 152, takes 9 per cent. (Ericsson Internal, 2009b).

An international long-term assignment in Ericsson lasts at least one year; normally it lasts two or three years (Hanberg and Ostedahl, 2009). Ericsson always provide a pre-departure training to employees before departure. The main purpose of the pre-departure training is to facilitate cultural assimilation of the expatriates (Hanberg and Ostedahl, 2009).

In Sweden, before the departure, employees are offered to join a one-day briefing session while expatriates from other countries are informed about this session via a DVD. In addition, before attending the pre-departure training course, expatriates receive information via email and Internet in order to investigate and prepare important things for their departures (Hanberg and Ostedahl, 2009). There are about 5 to 18 people join each briefing session, include expatriates and their partners. In this session, the participants are given information about policies, practices, insurance, security, health issues and an overview of the cultural adaptation process (Ericsson Internal, 2009a). Expatriates are instructed how to cope with difficulties in the new environment as well as solving cultural problems. They also are informed about the adaptation issue and phases in the adjustment process. The expatriates are encouraged to find out as much as possible information about the country where they will live and work (Hanberg and Ostedahl, 2009).

Ericsson provides expatriates at least 20 hours of language training prior to departure. This training focuses on the host country's business language. It helps expatriates improve their abilities to communicate in new location.

The pre-departure course includes interaction training when returned expatriates met course participants. However, interaction training should be given after the expatriates have arrived in the host country (Brewster, 1995, p. 64).

Moreover, the expatriates are recommended to travel to the country beforehand in order to evaluate what they will face during their international assignment (Hanberg and Ostedahl, 2009).

By doing this, Ericsson was so successful in their international assignment. The number of expatriates who had to return earlier before finishing their assignment makes up only one per cent and the main reason is due to health problems (Hanberg and Ostedahl, 2009). By do some interviews, Hanberg and Ostedahl (2009) mentioned that Ericsson is good at concerning its employees. In their story, one family that did not want to stay in Egypt was moved to Tunisia where the family found more comfortable and the expatriate could work in the same assignment. Therefore, Ericsson's staffs promote in their tasks and contribute to the success of this company.

Pre-departure training – not necessary

Many multinational corporations offer pre-departure training programs to their employees prior to overseas assignment while other MNCs do not consider this training as an essential. They have several reasons to find that providing pre-departure training does not make benefit. In USA, there was a <https://assignbuster.com/many-challenges-for-expatriates-to-live-and-work-management-essay/>

decrease in the number of organizations which provide pre-departure training though 1980s. In 1984, a research of one thousand US multinational companies resulted only 25 per cent of those offered pre-departure training (Baker, 1984). Five years later, in 1989, this figures dropped to 13 per cent (Feldman, 1989).

While doing a research about pre-departure training for expatriates who will go to China, Lau (2007) was so surprised to find that more than half of the respondents were not offered pre-departure training programs, even all of them were working for multinational organisations. She found some reasons for this issue. The first one is that expatriates have been to China before, so they had experience about the Chinese culture as well as the living environment in China. Nevertheless, there were only a half of expatriates who did not receive pre-departure training had already been to China (Lau, 2007). Another reason could be that the expatriates have been on other overseas assignment before. For that reason, the organizations found that it is not necessary for them to take a pre-departure training program.

According to Waxin and Panaccio (2005), international experience is a moderator which effects cross-cultural training. However, whatever the expatriates are familiar with the Chinese culture or not, they feel pre-departure training programs very useful. Consequently, multinational firms should give pre-departure training for expatriates.

The decision whether to offer a pre-departure training or not is also depended on the circumstances of the company (Selmer, 2006). If the company is implementing effectively and profitably, the expatriate will have

more opportunities to receive pre-departure training programs prior to his or her international assignment.

Conclusion

International assignments are very popular in the corporations' business activities to compete and develop in the world market environment.

Therefore, it is very important for companies to ensure their overseas assignment successful. The best solution to solve this issue is providing their employees a good preparation for their departure by giving them and their spouse the pre-departure training programs. By doing this, companies could restrict the challenges which their expatriates will cope in the host country and have more chances to make their assignment successful.

This study contributes the literature about what challenges the expatriates have to face and how pre-departure training can reduce these challenges. It includes some research about how many organizations offer this training to their staffs as well as several reasons why some companies do not find it necessary.