

## **INTERNATIONAL ASSIGNMENTS AND EXPATRIATES**

When people travel and live outside their culture of origin, there is automatically an increased need to acknowledge the dynamics of intercultural communication. For people whose moves are motivated by work and supported by their employer, the relationship between the employee and the organization provides a contextual framework that demands further understanding on intercultural encounters and transitions. Besides Intercultural Communication, it is helpful to know about international human resource management (IHRM), training, cross-cultural psychology and even organizational development (OD).

In the following you will be presented with an introduction to international assignments and expatriates. The text proceeds from explaining the general framework and terminology to describing a typical assignment cycle. In order to complement and support the text, this expatriate assignment cycle is also presented in the figure provided at the end of the text.

### **Expatriates as sojourners**

When a multinational company is building a new site to a country outside its headquarters, one of the first questions is: "Where do we get the required personnel from?" If appropriate local workforce is not available, the company can send people from the home country or the company's other locations to the new site. These people are called expatriates. However, companies have many other reasons than mere position filling for using expatriates. For example, the company can use international assignments to implement coordination and control strategies from the headquarters, to develop managerial skills or to transfer technical knowledge.

The term 'expatriate' refers to a person who is relocated from one country to another for working purposes for a certain period of time by a multinational company. Although they share many characteristics with other sojourners, such as diplomats, exchange students and immigrants, expatriates are a distinct group of people that has gained increasing attention in research especially since the 1980's and 1990's. Expatriates are motivated, among other things, by professional and personal development, the possibility of advancing their career, gaining international experience and enhancing their standard of living (see e.g., Adler 1997). People on expatriate assignments normally have clear goals set by their employer, e.g. a project to be finished, and intention to return back home once the assignment has been completed. The fact that expatriates usually have a set date of return, may effect their adjustment in two ways. On one hand, thinking about the assignment only as a temporary arrangement may result to superficial adjustment – "Why go through the trouble, I will move back home soon anyway". Sometimes this superficiality may also be involuntary from the part of the expatriate but still practiced by locals –

“No use building a deep relationship, they’ll soon leave anyway”. On the other hand, the very knowledge of the assignment being only a temporary arrangement may feel comforting in case things are not going as well they should. On the more positive side, it can encourage the expatriates to take advantage and enjoy the situation to the fullest as long as they can.

When talking about expatriates, it is important to note that the assignment decision often affects more than one person. According to Global Relocation Trends Survey (2003/2004), a typical expatriate is a male employee in his thirties or forties – women only represent 18 % of the expatriate population. If married, the expatriate is usually accompanied by his or her spouse and half of the expatriates also have accompanying children. In fact, the most often cited reason for turning down an international assignment is family concerns, like disruption to children’s education or spouse’s career (ibid.). Likewise, the benefits often affect more than just one person. Increased language skills, intercultural sensitivity and self-esteem are only a few of the many positive outcomes of the experience for the whole family involved.

Despite the many advantages that the use of expatriates can bring to the company, their high cost has compelled companies to find alternatives to long-term assignments. For example, in Europe expatriates may commute regularly from one country to another instead of the whole family moving abroad permanently. This also solves many of the problems facing dual career couples as it is usually easier for the spouse to stay employed in the home country than find work abroad. Likewise, there will be no disruption to the children’s schooling.

### **Expatriate assignment cycle**

Preparations for expatriate assignment start well before the plane takes off. First, there has to be a need from the employer’s part and an interest from the employee’s part towards the assignment. The initiative may come from either side so that the employee actively looks for a position abroad or that the employer suggests a particular person relocate where his or her skills are required. When making a decision whether to accept or turn down a particular assignment offer, there are many things to consider. Will I manage with my language skills? Will my partner find work? Will my parents be able to manage without our visits and help? Once the decision has been made to accept the assignment, start the pre-departure arrangements often with only a couple of month’s time before the actual move. On the practical side there are several issues to be taken care of: insurances, housing at home and in the host country, work permits, bank, tax and social security matters etc. Normally the employer’s HR department offers a helping hand at this stage and they may offer cross-cultural or language training. Sometimes there may be training also during (e.g. language classes) or after (e.g. repatriation training) the assignment.

Although the employee may have travelled in the host country before, the expatriate assignment is likely to differ from their previous experiences in being so overwhelmingly intensive. No longer can the expatriate restrict talking only to familiar business colleagues on familiar topics and commuting between the hotel and the office. In their widely quoted article published in 1991, Black, Mendenhall and Oddou described expatriate adjustment with three foci: work, interaction and general adjustment. First, the expatriate must deal with changes in the organization, leadership style and his or her own duties. Despite the fact that many companies have an organizational culture of their own the surrounding culture also has its effects. Second, the expatriate must learn about the social norms and interaction with the locals, including language and communication style. Lastly, the expatriate needs to adjust to other elements in the non-work environment – society, customs, norms, living standard and services. The last two are relevant also to the expatriate dependants in case the expatriate has family and is bringing it along. In fact, quite often it is the spouse who has more practice in the interaction adjustment since they are likely to take care of family errands while the expatriate is at work. The expatriate adjustment is always individual even though it may follow a w-type curve with its ups and downs. The factors often cited to affect adjustment include: cultural distance, expectations, previous international experience, language, cultural isolation, status, self-esteem, participation in the host culture, reception by the host nationals (Paige 1993, Ward, Bochner and Furnham 2001). As with many other groups of sojourners who are only temporarily based in their location, the expatriates often rely heavily on people in the same circumstances. Other expatriates, whether they are originally from the same country or not, are able to provide peer support that is not available elsewhere. The situation can be problematic if this peer group is the primary or only source of social support as it can delay or altogether hinder the development of a more deeper and effective adjustment to the local culture.

How then to determine whether a particular expatriate assignment has been successful or not? Early repatriation and inability to meet assignment objectives are sure signs of failure. However, personal dissatisfaction should also be considered a failure if the assignment causes the expatriate and possible dependants to suffer beyond normal cultural transition stress in their private lives. As the assignment contract is about to reach its end, it has to be decided if going back home really is the best option. In some cases, it is more sensible to extend the assignment, take up another assignment in another location, or to localise (i.e. the expatriate contract changes into a local contract with the host organization becoming the new home organization). Those deciding to return home need to be prepared for a readjustment period to digest their experience in relation to the realities faced at home. For those who decide to take up another assignment, the cycle starts anew.

## **References**

- Adler, N. 1997. *International dimensions of organizational behavior*. Cincinnati, OH: South-Western College Publishing.
- Black, J. S., M. E. Mendenhall, and G. Oddou 1991. Toward a comprehensive model of international adjustment: an integration of multiple theoretical perspectives, *Academy of management review* 16, 291-317.
- Global Relocation Trends Survey 2003/2004* by GMAC Global Relocation Services
- Paige, M. R. (ed.) 1993. *Education for the intercultural experience*. Yarmouth (Me.): Intercultural Press
- Ward, C., S. Bochner and A. Furnham 2001 (2nd ed.). *The psychology of culture shock*. Hove: Routledge.

## SOURCES FOR MORE INFORMATION



### Books

Dowling, P.J., D.E. Welch and R.S. Schuler 1999 (3rd ed.). *International human resource management. Managing people in a multinational context*. Cincinnati: South-Western College Publishing.

- Covers the expatriate issues from organizational and human resources aspects. Chapters include topics like international recruitment and selection, training and development, compensation and repatriation.

Mark E. Mendenhall & Gary Oddou (eds.) 1999. *Readings and Cases in International Human Resource Management*. Cincinnati: South-Western College Publishing.

- Similar to the above but with more emphasis on case examples. These authors have published also several other related books, some with specific focus on training.

Ruckenstein, M. (toim.) 2004. *Työpaikkana maailma*. Helsinki: Edita.

- An excellent, up-to-date collection of articles by Finnish people living abroad because of their careers. The book offers views on the effects of globalisation to the Finnish working life from the point of view of individual employees and their families around the world. The chapters are organised around different locations from London to Shanghai and around various fields of expertise from engineers to nurses and bankers.

Saviaro, M., and M. Helaniemi 2005. *Kun työ vie maailmalle*. Helsinki: Return Ticket ja Expat Finland.

- Practical hands-on guide to all things related to relocation, includes many useful websites and 'to do' -lists for expatriate families.

- Similar books on the more practical side of relocation are available also in English, such as the "Newcomer's Handbook For Moving To And Living In ..." series that covers several US cities.

Ward, C., S. Bochner and A. Furnham 2001 (2nd ed.). *The psychology of culture shock*. Hove: Routledge.

- First gives a general introduction to the mechanism of culture shock and adjustment, then provides more detailed information from several perspectives (tourists, immigrants, refugees, business people and international students).

### **Research and researchers**

- If you want to find articles in published journals, Cross-Cultural Management and International Journal of Human Resource Management might be good places to start.
- The following authors' names may be helpful as much of their research has dealt with issues related to international assignments: Black J. Stewart, Gregersen Hal B., Suutari Vesa, Tahvanainen Marja.
- Key words to use in search engines include: expatriate, international assignment, IHRM, expatriate spouse, repatriation, global manager.

### **WWW-sites**

Below you will find a sample of different types of websites dedicated to expatriate issues: US relocation services company; on-line magazine for Finnish expatriates; international website for all expatriates; company specific site providing support for their employees.

GMAC Global Relocation Services: <http://www.gmacglobalrelocation.com>

- American organization that carries out yearly relocation trends surveys. The surveys provide facts and figures on the current expatriate mobility, especially as seen from the American perspective.
- Global Relocation Trends 2003/2004 Survey report: <http://www.nftc.org/default/hr/GRTS%202003-4.pdf>
- More articles available under Insight & Support / Article Archive

Expatrium: <http://www.expatrium.fi/>

- Finnish site for Finns living abroad with lots of up-to-date information on practical matters such as legislation and taxation. Expatrium -magazine published in paper version few times a year. Much of the website contents only available for subscribers of the magazine. Nevertheless, some features, e.g. the chat board, only require free on-line registration.

Expat Focus: <http://www.expatfocus.com/>

- International site for expatriates world-wide with many features such as discussion forums, blogs, financial advice and small country guides.

Global Outpost Services: <http://www.globaloutpostservices.com/>

- Website and services designed particularly for Shell employees and their dependants.
- Visit, for example, the Careers and Development page (see: Table of contents) to familiarize yourself with the wide range of topics that can be covered in relation to expatriate support <http://www.globaloutpostservices.com/careers/>
- The world wide general and country specific information is useful and mostly available also to those not employed by Shell <http://www.outpostexpat.nl/worldwide.html> . So, if you are going to spend longer period of time in a particular location, it is worth checking if the town is covered by the Outpost site.

# Expatriate Assignment Cycle

