

A Study on Challenges and adjustment of expatriates in Cross cultural context

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ABSTRACT

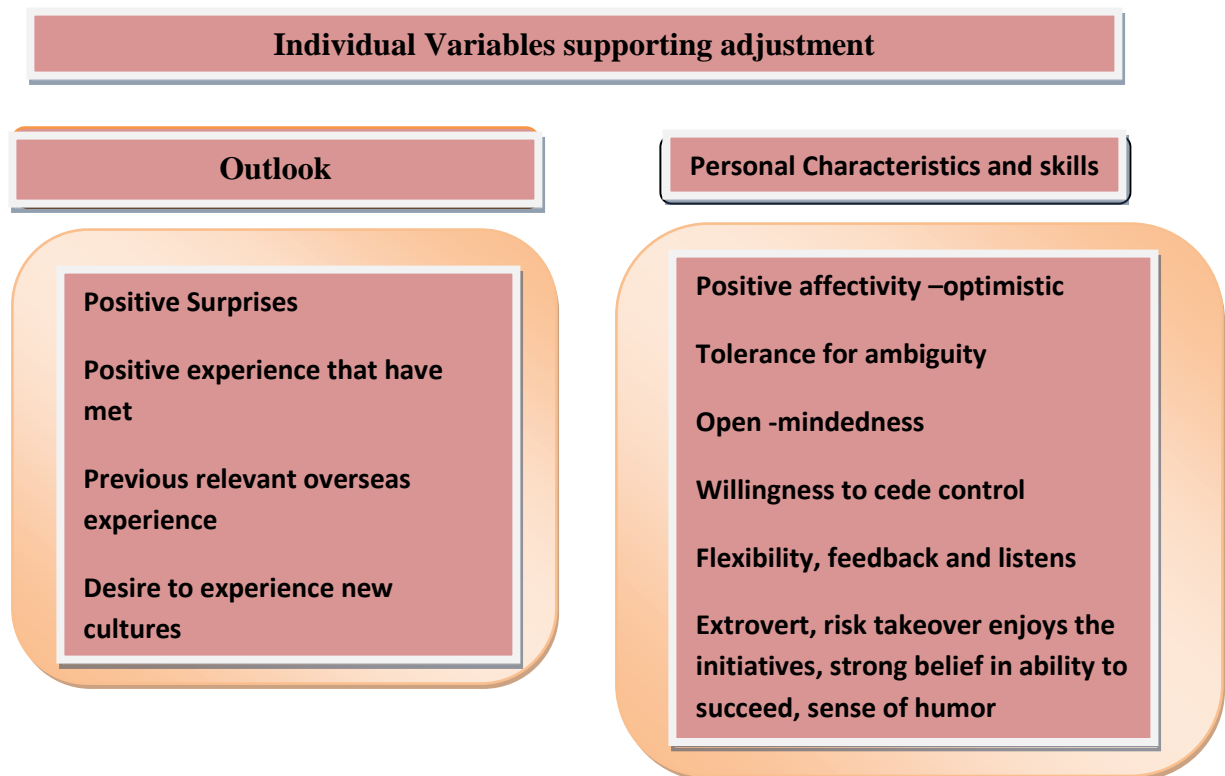
In an increasingly changing business world, MNCs establish foreign-owned subsidiaries and enter into joint ventures and strategic alliances to create a presence in international competition and to take advantageous production resources. Many opportunities and challenges of the globalizations processed are creating the need for expatriates to locate managers and skilled workers in international locations. However, the task of expatriate employment is complicated by profound differences between countries in labor markets, culture; legal and economic systems. Move abroad is the first step on a journey of adjustment. In order to have access to qualified staff at the time and place required, more MNCs are becoming aware of a need to develop international experience across a wider range of employees, from host locations as well as from the home country. Expatriate employees need to be selected not on technical expertise alone, but also on cross-cultural fluency in order to maximize the expatriates effectiveness and efficiency working in a different culture Therefore, it becomes necessary to train the new expatriates to perform the goals and objectives set by the MNCs. The purpose of this paper is to illustrate the importance of training and certain care that can be taken to minimize challenges that are faced by expatriates during their international assignment.

Keywords: *Expatriate, international assignments, cross cultural adjustment, cross cultural Training*

I .Introduction

The success of global managers or expatriates is heavily tied to their ability to adjust to various work and non work conditions in the host country. In an increasingly changing business world, MNCs establish foreign-owned subsidiaries and enter into joint ventures and strategic alliances to create a presence in international competition and to take advantageous production resources. Many opportunities and challenges of the globalizations processed are creating the need for expatriates to locate managers and skilled workers in international locations. However, the task of expatriate employment is complicated by profound differences between countries in labor markets, culture, legal and economic systems (Hill, 2007). In this international environment, the quality of expatriate employees and management seems to be even more critical than in domestic operations. MNCs of all sizes (small, medium, or large) that have subsidiaries in foreign counties are facing the problem of training, selecting, compensating as well as the reintegrating expatriate managers. Despite the problem, these expatriate managers are contributing significantly to the achievement of the MNCs goals and as a result, their importance should not be overlooked (Treven, 2003).

Figure 1: Driving forces embedded in the expatriate



1.1Background

As more organizations become global in their operations, cross cultural management becomes crucial to their operations. The behavior of people in the organization around the world and how to work in organizations with employee and client population in many different cultures becomes crucial. When employees are sent on overseas assignment they encounter with a number of cross cultural problems. Cultural clashes between foreign and local values are inevitable in which expatriates experience challenges.

II .Literature Review

Sreeleakha.P and Dr. Nateson.C (2011) presented a paper on expatriate's official, cultural and family problems with reference to Bangalore, India. This study emphasized on the problems faced by the expatriates' family, job and cultural perspectives. The results showed that with the sample selected, the age and satisfaction with monetary benefits are dependent; there is a relationship between number of years of experience and pre-departure training given by the company; previous international experience and expatriates work satisfaction are dependent; there is a relationship between expatriates' preferring to travel abroad and the ability of spouse to adjust to the culture of foreign country; marital status and willingness to return to India are dependent. In spite of the problems faced, the study reveals that a whopping 80 percent would like to revisit the same country, if given an opportunity.

Gitte Brynningsen (2009) studied about Managing Expatriates on International assignments. This article dealt with managing expatriates when they are sent on the foreign assignments. They identify five generic functions of managing people: (a) Recruiting/selecting (getting the right people), (b) Training (helping people to do the right thing), (c) Appraising (determining how people are doing), (d) Rewarding (encouraging the right things that people do), And (e) developing (doing things right for people).

Semere Haile et al (2007) analyzed the various challenges faced by Expatriates in abroad. Multinational corporations (MNCs) seem to be paying little attention to international training and management development for new expatriate assignments. Effective training of expatriate employees is needed for the success of any MNC. The literature review provides the view that more sensitivity needs to be paid to the intense training needs for the benefit of MNCs, expatriates, and family members. It also provide a better understanding to the merits of the unique experiences of expatriate managers in international assignments adjusting to the cross-cultural conditions on global tours and confronting the challenges affecting their career goals. In order to succeed in a globally competitive environment, MNCs need to effectively train expatriates in international capabilities, including fluency in foreign languages and in the ability to adapt to different cultures. Those international assignments can lower the probability of expatriate failure through training programs.

III .Research Methodology

3.1 Statement of Problem:

The difference in the culture of both home country and host country is referred to as cultural gap. To adjust in a culture where there is a huge cultural gap, the expatriate face lot of adjustment problems and has to learn an extensive set of new behaviors. This research addresses the Challenges and adjustment of expatriates in Cross cultural context.

3.2 Research Objectives:

1. To understand the challenges of expatriates in International assignments.
2. To investigate how the expatriate can adjust to the culture of another country.
3. To analyze the significance of cross cultural factors on the adjustment aspects of expatriates.

3.3 Hypothesis:

H₀: Cross cultural factors are significant for expatriates to adjust in host country

H₁: Cross cultural factors are not significant for expatriates to adjust in host country

3.4 Primary Data:

Primary data has been collected using a structured and focused questionnaire; which covered various dimensions of the research questions. Random sampling technique was used to collect data for the research. The sample size consisted of 40 respondents who are mainly Expatriates working with various MNC's in Bangalore city.

3.5 Secondary Data:

Secondary data has been collected from books, internet, literature and other relevant documents. Magazines, Journals, Fact sheets and Web resources, online libraries and websites are other sources.

3.6 Statistical Techniques used

Chi square test:

The application of chi square test in this study was to determine whether there exists a relationship between the expected frequencies and the observed frequencies in one or more categories. The test was also used to find out whether cross-cultural factors are vital for an expatriate adjustment.

IV .Data Analysis

4.1 Testing of hypothesis:

Table 1: Showing the Testing of Hypothesis for cross cultural factors.

Hypothesis	Level of Significance	DOF	Tabulated Value	Calculated Value	Accepted/Rejected
Cross cultural factors are significant for expatriates to adjust in host country	5%	16	26.29	11.05	Null Hypothesis is accepted

4.2 Interpretation:

Since the calculated value is less than the tabulated value, hence the Null Hypothesis is accepted. It is inferred from the chi-square test that all the cross-cultural factors are vital for an expatriate adjustment and hence the companies should provide adequate cross cultural training for an individual before his departure to other country.

V .Findings

- In selecting an expat for a global assignment, the focus is on ascertaining the cultural awareness and the fit for the host country's culture. In preparing an expat for a global assignment, there is no gainsaying the fact that his/her success depends on how fast he/she acculturate in a host country. Acculturation demands that the expatriate is aware of the cultural nuances of the host country. MNCs offer cross-cultural training to teach their expatriates, the host country's appropriate norms and behaviors.
- The results showed that with the sample selected, the cross cultural factors such as food, language, and business culture, economic and political conditions are significant for an expatriate to adapt in host country.
- It is evident from the research that companies are encouraging women employees to take up foreign assignments. Not only men are sent on overseas assignment but even women too are sent. So we can infer that the opportunities are being provided to women as well.
- Many executives and managers sent to man foreign operations are usually. Chosen for their skills and accomplishments within their native country. The assumption is that 'if they can do it at home, they can do it abroad'. Research suggests this is not the case - cross cultural differences usually make such skills defunct in a new environment.
- Maximizing the chances of an employee's success in a foreign location is a critical business priority. If a manager or executive is sent abroad and fails to either settle into the new culture or work effectively with his/her new colleagues, the whole venture will be a waste of valuable time, effort and money.

- Expatriate relocation assignments fail for a variety of reasons such as Cross cultural differences account for or impact upon many, such as the inability to adapt, spouse dissatisfaction and poor job performance.

VI .Suggestions

These cross cultural challenges can be reduced by adopting the following strategies:

Length of the assignment: Before choosing someone for an overseas assignment, it is important to define the assignment, what skills are necessary, and the length of time the assignment is expected to be. All of these factors should influence the choice of the person going. Obviously, for shorter assignments (a few weeks or less) the following issues will vary in importance.

Identification of Host country: The intensity of the overseas experience is in direct relation to how the climate, culture, and language differ from one's own. The greater the degree of difference, the more intense, and therefore stressful, the experience for example: An American going to Britain will not have as intense an experience as an American being sent to Asia, Africa or the Middle East.

Identification of international skills and experience of the employee: Before the employee is sent to host country the company has to see whether he has travelled internationally earlier or not. The company should also see that whether international assignee is familiar with host country language, culture, and customs of host country. The most important thing a company has to look into is whether the employee is ready to move on to host country or not.

Identification of personality/psychological make-up: Adapting to life in a foreign environment requires flexibility and a high tolerance for ambiguity on the part of the sojourner, because there are so many things that are difficult to understand or simply don't make sense within one's own logic. Choosing someone who is flexible, open, and can deal with differences easily will increase the chances of successful adaptation. "Culture shock" is a very real phenomenon, and the degree to which this is experienced depends on the person, the

country involved, and the training and support they are given. Some people, no matter how well they perform their job, are unsuitable candidates for an overseas assignment because their personalities and make-up do not lend themselves to such a major transition. Some folks are exhilarated by these kinds of assignments, and some are not, and companies lose money when they can't tell the difference.

Health conditions of the employee: The adaptation to an overseas assignment can be extremely stressful, especially if the culture and climate are very different from one's own. In addition, unfamiliar viruses and bacteria can stress the immune system, which also requires time to adapt. It is not unusual for expatriates and their families to get sick more often when they go overseas. So it is essential to make sure the person whom the company is sending is in good health to begin with.

Importance for Family members: Having one's family along on an international assignment provides a support to the employee, but also requires training and on-going support for all family members. An employee can't function well in a foreign environment if their family members are miserable, a fact that many companies have come to appreciate after an employee cuts short an assignment prematurely because of family stress.

Management of people in the foreign country: If the employee is expected to not only function well in an international setting, but also manage others who are culturally different from him/her, all of the above issues become even more critical. Having an international coach/consultant on the team to help choose and prepare the right individual will greatly improve the success rate.

Provision of Pre-departure training: Pre-departure training about cross-cultural adaptation in general, communication, and information about the country the employee (and family) is being sent to be crucial. Depending upon the role they will fill, language training is recommended, especially in cases where they will be managing people who speak a different language than they do.

Adequate on-going support during the overseas assignment: Having a coach that specializes in international business/expatriate living available for regular discussion with the employee and members of their family, via telephone, is an investment that will pay off for the company. The transferred employee will have higher morale, lowered stress, and will be able to talk frankly with someone with international business experience, helping to improve their performance while on assignment.

VII .Conclusion

Even though companies are supporting expatriates during their onsite assignments, still they are facing problems pertaining to adaptation and acculturation. It is the personal ability of the individual to be culturally sensitive and flexible in their country of operation. Once an Individual is selected, an intensive training and learning program is essential to qualify that person for an international assignment. It is during the face-to-face interviews that the diversity and significance of learning and training practices become clear for international assignment. Development should also extend beyond information and orientation training to include sensitivity training and field experiences that will enable the expatriate manager to understand cultural differences better. Those in charge of the MNCs' international training and learning program should provide training needed to protect expatriate managers and employees from career development risks, reentry problems, and culture shock. It is the role of the MNC to understand in terms of encouraging expatriate employees to learn knowledge, skills and attitudes congruent with its objectives in global business operations, which are important to job and business performance.

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