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23 February 2004

Inquiry into Australian Expatriates

Dear Sir/Madam,

I am a recent Commerce (Honours) graduate who completed an Honours thesis on Expatriate Management at the University of Melbourne in 2003. I believe my research may be useful information for the Committee during its work on the current Inquiry into Australian Expatriates.

My research specifically focuses at two areas of inquiry. Firstly, the definition of expatriate failure was of particular interest to me. In the past, expatriate failure has been normally defined as premature return. However, I believe that this definition is inaccurate and misleading. Expatriate failure encompasses a lot more, which my research revealed. Expatriate failure takes on a different meaning for companies, expatriates, trailing spouses and repatriates. After interviewing twenty-three participants, my research found that other contingencies such as family adjustment and the achievement of corporate objectives were also important indicators of expatriate success and failure.

The second area of interest for me was the main reasons for expatriate failure. Consistent with previous literature, I found that the spouse's inability to adjust to the new environment was the most important contributor towards expatriate failure. However, the degree of Headquarters' support received or perceived by the expatriate was also a factor that was found to be very important for expatriate success. This has emerged as increasingly important to the overall success of the international assignment, a factor that has not been previously researched heavily. Further research into this aspect is definitely warranted.

I enclose my thesis in full with this cover letter in the hope that the information it contains will make a useful contribution to the Senate Committee's deliberations as part of the inquiry. There is no doubt that more information needs to be available to organisations and expatriates alike to help them cope with such drastic transitions. My hope is that my thesis will make a small but positive contribution towards the improved management of expatriates on future assignments.

Yours faithfully,

Julie Yuen

Enclosure: Thesis

University of Melbourne

Department of Management

An Exploration of The Definition of Expatriate Failure and The

Predominant Reasons For It

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Bachelor of Commerce (Honours)

Research Essay 325-408

Supervisor: Dr. Anne-Wil Harzing

22nd October 2003

Declaration

This report is the sole work of the author whose name appears on the title page and contains no material which the author has previously submitted for assessment at the University of Melbourne or elsewhere. Also, to the best of my knowledge and belief, the Report contains no material previously published or written by another person except where reference is made in the text of the Report.

All data sources used to derive the results presented in this Research Report have been acknowledged.

Taking into account the 'word equivalents' of tables and charts, this report is 13,954 words in length, including footnotes, appendices and the bibliography and 13,048 exclusive of the appendices. I understand that I may be penalized if the Report is longer than 12, 000 words.

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Julie Alberta Yuen

22nd October 2003

Acknowledgements

First and foremost I would like to thank my supervisor, Dr. Anne-Wil Harzing for the immense amount of support and guidance throughout the year. You made what seemed to be an impossible task accomplishable. Many thanks.

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Finally, I would like to thank all my family and friends who have been very supportive. Without your tolerance and understanding this would not have been possible. Thank you.

Abstract

Expatriation is commonly used as a means by which organisations can transfer knowledge and skills from one location to another. This paper argues that current literature fails to provide accurate and applicable information on expatriate management. The major areas of inquiry in this paper relate to: (1) the definition of expatriate failure; (2) the predominant reasons for expatiate failure and; (3) spouse and family adjustment. Results from interviewing twenty-three participants found that although expatriate failure is defined in most literature as premature return, this definition is misleading and insufficient. In relation to the predominant reasons for expatriate failure, the support of the parent company was found to be important in minimizing expatriate failure. Furthermore, the spouse's inability to adjust to the new environment was believed to be an important contributor of expatriate failure, consistent with previous studies. The study concludes that the unwillingness of contemporary literature to take into account other measures of expatriate failure will lead to the accumulation of information that is of limited relevance to practitioners and expatriates alike. In addition, given that organisations now have more detailed information about the obstacles that spouses face, they should take a more proactive approach in assisting the expatriates' families overcome their adjustment difficulties.

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Chapter 1: Introduction

The volume of literature on expatriate management is unsurprisingly large, considering the increasing importance of the topic. As the world continues to become globalised, firms are being required to manage an increasingly diverse workforce with expatriation being just a subset of this challenge (Deresky 2000). As a result, expatriation has been popularly used as means by which information sharing and knowledge transfers can be undertaken (Harzing and Van Ruysseveldt 2003). As this elite group is fundamental to the success of corporations by engaging key positions in offshore business dealings, this has compounded the need for more accurate and applicable information on expatriate management. However it will be demonstrated that existing literature is failing to provide this. Past literature on expatriate failure in particular, lacks empirical evidence, focuses mainly on the U.S and was conducted some time ago. Arguably, the most significant research conducted on expatriate failure by Tung (1982), was carried out over two decades ago. Although the contribution of this research is important, questions of applicability arise as variables in the internal and external environment have changed since the 1980s. Despite this, some of the more recent literature on expatriate failure continues to use this study as the primary foundation for their arguments (see e.g. Ashamalla 1998; Shilling 1993; Simeon and Fujiu 2000; Yavas and Bodur 1999). As a consequence, this undermines the credibility of the more recent literature. This initiates the strong necessity for additional research to be undertaken in this area.

1.1 Purpose of the Study

The purpose of this thesis is threefold. Firstly it argues that there is a major inadequacy in the current definition of expatriate failure. Secondly, attempts are made to gaining an improved understanding of the reasons for expatriate failure and lastly, the importance of the spouse in international assignments is highlighted.

1.1.1 Definition of Expatriate Failure

The prevailing definition of expatriate failure is too constricting to allow for a true estimate on the extent of expatriate failure. Defining expatriate failure within the limits of premature return, as is done in most literature, is far too simplistic and misleading (see e.g. Ashamalla 1998; Fukuda and Chu 1994; Naumann 1992; Simeon and Fujiu 2000). The use of this definition implies that as long as the expatriate remains until the expiration of the international assignment, then the expatriate is 'successful'. However this is not justified, as it does not take into consideration other contingent factors that are equally important in shaping a successful international posting. More precisely, aspects such as not achieving performance objectives, repatriation difficulties and more specifically, undervaluing the skills and knowledge of repatriates, are just as important in defining expatriate success and failure. These three measures of expatriate success and failure are also crucial and will be discussed individually. This raises the first research question:

Research Question 1: How is the success or failure of international assignments defined?

1.1.2 Reasons for Expatriate Failure

It has been estimated that the cost of expatriate failure can range anywhere from $200 000 to $1.2 million. Given this, the importance of gaining an advanced understanding of the reasons for international assignment failings becomes alarmingly obvious (National Foreign Trade Council 1994, cited in Ashamalla 1998). As the direct costs of expatriate failure are calculated in monetary terms, it is the indirect costs of these failings such, as its implications upon future career prospects, which are often concealed. Furthermore, they tend to be more damaging and miscalculated by both the expatriate and company (Ashamalla and Crocitto 1997; Shaffer and Harrison 1998).

Discussions on expatriate failure in this second section will be addressed using the widely accepted definition of premature return, as this is the norm. Focus is then directed to three main areas: (1) selecting the most appropriate expatriate for the international assignment, (which is paramount because choosing an inappropriate candidate will jeopardize the overall success of the international posting); (2) the extent of predeparture preparation that expatriates receive, (Black and Mendenhall's (1990) study revealed that this has a positive correlation with their adjustment into the new environment) and; (3) spouse and family issues, which have been identified in previous studies to be the main contributors towards expatriate failure (Tung 1987). The second research question that arises from this is:

Research Question 2: What are the predominant reasons for expatriate failure?

1.1.3 Spouse and Family Issues

Although all three areas of expatriate failure are of equal importance in this thesis, particular attention has been paid towards spousal and family issues, as this is an understudied area (Black, Gregersen and Mendenhall 1992a). This research seeks to reverse this trend and give spousal adjustment equal importance as the expatriate's adjustment. Although research in this area continues to grow, gaining information from the perspective of spouses has not been a major priority. This omission is corrected in this study. Studies have shown that the adjustment state of the expatriate's family (in particular the spouse) is positively correlated to the adjustment process of the expatriate. Neglecting this has been a major oversight. The importance of the family when managing international assignments is critical (Black and Stephens 1989). However, while spousal adjustment is important, it is argued that it is over simplistic to highlight Tung's (1987) findings that 'spouses inability to adjust in the new environment' as the main reason for expatriate failure without further empirical research. Not only is there a need for greater information to be gained in respect to specific obstacles that spouses have to overcome, there also needs to be the identification that this can only come about via increased volumes of empirically-based research. This leads to the final research question:

Research Question 3: What are the more specific obstacles that spouses are confronted with during international assignments?

1.2 Scope of the Study

4

This research project will focus mainly on expatriate failure and the importance of the spouse and family to the success of international postings by expatriates. Other aspects of expatriate management, such as remuneration packages and lifestyle arrangements, will not be discussed. These are beyond the purpose of the study. However, rather than reiterating what is present in existing literature, the present thesis will explore these issues further, using a broader definition of expatriate failure. The thesis limits its data collection to interviews with expatriates, repatriates and spouses. Gaining information from the perspective of corporations would have been an interesting and valuable addition, but this was not possible due to fears of privacy violations and conflicts of interest between employees and employers.

1.3 Thesis Overview

Chapter Two will review current literature on expatriate management. Nine propositions are developed that directly link to this study's research questions. Chapter Three discusses the methodology used to conduct this research project and provides information about the respondents. Chapter Four outlines the major findings from the research and shows the results of the propositions put forward in Chapter Two. Chapter Five concludes with a discussion of the results and how they relate to the research questions identified in this chapter. The limitations of this study, implications for management and future research directions are also identified.

Chapter 2: Literature Review

This chapter reviews the major research that has been undertaken in the field of expatriate failure and spousal adjustment. This is necessary in order to identify the gaps that are present in the current literature. The objective of this chapter is to first demonstrate that the predominant definition of expatriate failure is insufficient, and by extension, make suggestions as to other contingencies that should be included when assessing the degree of success of an international posting. Secondly, the primary reasons for expatriate failure are highlighted and finally, the significance of spousal and family adjustment is addressed. At the end of each section, a research proposition is developed that forms the basis for the subsequent research project.

2.1 Defining Expatriate Failure

A major dispute in past and present literature on expatriation is about the definition of 'expatriate failure'. This term is simplistically defined as "premature return" (Ashamalla 1998; Fukuda and Chu 1994; Naumann 1992; Simeon and Fujiu 2000). However, the concept of expatriate failure defined within these limits is far too narrow, as expatriate failure encompasses a great deal more (Harzing 1995; Sappinen 1993; Shaffer and Harrison 1998). The main flaw within this definition is that it implies that the expatriate assignment has been successful if the expatriate remains for the full duration of the planned stay. This does not occur in reality (Sappinen 1993).

The inadequacy of the definition of expatriate failure measured in terms of premature return has questionable effects upon the accuracy of calculating expatriate failure. An abundance of literature documents that expatriate failure rates are at unacceptably high

levels (see e.g. Ashamalla and Crocitto 1997; Gray 1991; Naumann 1993; Shaffer and Harrison 1998; Shilling 1993; Simeon and Fujiu 2000; Stone 1991). Harzing (2002) argues that this may be a result of referencing errors that replicate previous literature rather than basing such findings on their own empirical research. This suggests that more empirical research is necessary in order to measure the true extent of expatriate failure. Expatriate failure needs to be defined in a different way, other than premature return.

In this paper, it is proposed that the definition of expatriate failure should also include measures including performing under par in international assignments, repatriation difficulties and, more specifically, skills developed by the expatriate not being valued by the parent company. These factors are also imperative in characterizing a successful expatriate program but are often unjustifiably neglected. This leads to the first proposition:

Proposition 1: Expatriate failure is predominantly defined on the basis of premature return

2.1.1 Not Achieving Performance Objectives

One of the weaknesses of the commonly used definition of expatriate failure is that it does not take into consideration the underperformance by expatriates. There is no measure of productivity, effectiveness or whether the assignment objectives were ascertained. Harzing (1995) argues that returning prematurely before the expiration of the assignment may not be the most damaging scenario. It is proposed that those expatriates

who stay on for the full duration of their assignment but perform at a substandard level are potentially more damaging to the company than if they were to return home prematurely. Expatriate managers who return home prior to the expiration of their international postings are naturally considered to have 'failed' to achieve the corporate objectives of the assignment. However those expatriates that remain for the planned stay should still be classified to have 'failed', if they too are unsuccessful in achieving company goals.

The expatriate's inferior performance can have significant negative ramifications on the employing company that are often concealed (Black, Gregersen and Mendenhall 1992a). Selmer (2002) highlights that those managers who elect to 'stick it out' incur large direct and indirect costs that are often unknown and miscalculated by both the company and expatriate. Lanier (1979) termed these expatriates as 'brownouts', as they do not decide to return early but instead perform at a lower capacity. As a result, not only is the expatriate deemed incompetent because of their inadequate performance, but the company also receives unenthusiastic publicity, which can affect the company's overall reputation.

Daniels and Insch (1998) contribute to this view by suggesting that there is a strong need to refocus expatriate research away from expatriate turnover, but to instead focus on expatriate performance. Persisting to define expatriate failure within such narrow terms induces inaccuracies and the difficulty of trying to gain a true estimate on the frequency of expatriate failure. Perhaps more alarmingly, this stubbornness also encourages

expatriates to become 'brownouts' in an attempt to avoid being labeled a 'failed expatriate'. This leads to the following proposition:

Proposition 2: Expatriates who do not achieve the performance objectives of their international assignments should also be regarded as expatriate failures

2.1.2 Challenges in Repatriation

Although repatriation completes the cycle of the expatriation process, there is a noticeable inequality in the amount of attention devoted to repatriation in comparison to the expatriation stage. As a consequence, there has been insufficient empirical research conducted in this final phase (Black, Gregersen and Mendenhall 1992b; Riusala and Suutari 2000). Repatriation, defined by Dowling and Schuler (1990) as "the process of return to the home country at the completion of an international assignment" (p. 173), is seen as "perhaps the least carefully considered aspect of global assignments" (Black, Gregersen and Mendenhall 1992a; p. 14). Unlike most assumptions, the repatriation process is not an event that is either easy or natural (Hammer, Hart and Rogan 1998). On the contrary, it can be more difficult than the expatriation phase as repatriates themselves do not expect this 'reverse culture shock' to occur as they are returning 'home' (Brislin and Pedersen 1976; Martin 1984). This reverse culture shock is caused by the mismatching of the expatriate's expectations prior to their return and what they actually encounter after they have been repatriated (Adler 1981; Howard 1974).

Due to the commonness of reverse culture shock, Poe (2000) identifies the importance of *expectation management*, as a means by which re-entry culture shock may be alleviated. From a business perspective, expatriates will often have the expectation that they will be holding similar, if not higher, hierarchical positions upon their return, where there will be generous opportunities to utilize their skills and knowledge acquired abroad (Stroh, Gregersen and Black 1998). However research conducted by Feldman (1991) and Welch (1994) have suggested otherwise. Expatriates tend to find themselves being relocated into 'holding positions' as the company has yet to find an appropriate position for them.

Poe (2000) suggests that it is often unrealistic to guarantee the expatriates the specific position they will be assigned to upon their return. In this case, it is crucial to be as honest to the expatriate as possible to ensure that they have time to realign their previous expectations. Attempts by the organisation to minimise any readjustment difficulties should be addressed before the expatriate sets off for their overseas assignment (Ashamalla 1998; Yavas and Bodur 1999). The key ingredient for effective repatriation is to start early so that expatriates are aware of all the possible outcomes that can be derived from this career decision (Poe 2000). Issues that need to be discussed include how the company intends to keep in touch with expatriates so that they are kept up to date with the latest company information and developments (Black 1992) and how the expatriate's new qualifications will be used by the corporation (Napier and Peterson 1991).

In a study conducted by Harvey (1989), information was sought as to why companies did not have a formal repatriation-training program. Research revealed that only 31 percent

of respondents answered positively and the most common responses were: (1) 47% stated that the company had a lack of expertise in devising such a program; (2) 36% identified that it would simply be too costly to have to train repatriates and; (3) 35% said that the top level management did not perceive a need for repatriation training. Unfortunately, this signifies that companies have yet to realise the importance of this final link of the expatriation process. Additionally, Adler's (1991) study showed that: (1) one out of five repatriates want to leave the home company upon their return; (2) two thirds of returned expatriates felt that the assignment had negative ramifications upon their career development; (3) less than 50% of repatriates had received career advancements upon return and; (4) approximately half of the returned employees felt that their re-entry status was less satisfying than the position in their overseas assignment. This leads to the following proposition:

Proposition 3: A successful repatriation process has a positive influence on the readjustment of the repatriate into their home environment

2.1.3 Skills Acquired by the Expatriate are Not Utilized

Corporations not valuing the competencies and wisdom of their repatriates have been one of the more specific challenges accompanying repatriation. Although returning home may signal the end of the international posting for the repatriate and company, utilizing the skills acquired by the repatriate will not only be in the best interest of the company in terms of human resource maximization, but also demonstrate that the expatriation assignment has been a full success.

It is therefore disappointing that many organisations do not take full advantage of the skills and knowledge that repatriates have acquired from their overseas experience. Expatriates note that their tolerance for ambiguity, magnified intercultural understanding and ability to relate effectively with people from other cultures are untapped by their home organisation (Napier and Peterson 1991). Varner and Palmer (2002) term this inability to systematically identify, capture, disseminate and formalize the knowledge gained by the expatriates as 'knowledge mismanagement'. Moreover, this malfunction is both counterproductive and expensive for the home company. Large investments have been devoted to this elite group, thus to ignore the know-how that they transport back is simply poor management. This is supported by Poe's (2000) article that stresses that providing opportunities for repatriates to utilize their skills deters them from leaving the company. Companies that fail to take advantage of the knowledge gained by the expatriates possess a high risk of forgoing them to a competitor. If the organisation is willing to invest significant sums of money into sufficiently training the expatriate, then all attempts should be made to institutionalize that knowledge.

This inability to exploit the intellectual capital gained by expatriates should also be considered as one form of expatriate failure as the company has not been able extract the inclusive benefits that an expatriate project entails. The remuneration of such a program should be as rewarding for the expatriate and host company as it is for the home company. There is as much to be gained by all parties of the expatriation process (Poe 2000). From this, a fourth proposition is developed:

Proposition 4: Companies that fail to utilize or value the skills and knowledge gained by the repatriates from their overseas posting will run a higher risk of those repatriates leaving the organisation

Although what has been discussed so far uses the broader definition of expatriate failure, it is still important to give attention to the traditional reasons for expatriate failure, using the more predominant definition, that being premature return.

2.2 Reasons for Expatriate Failure

It has been established that the cost of expatriate failure is alarmingly high, thus it is imperative to understand its reasons. Although there have been suggestions made that expatriate failure is on the decline (e.g. Daniels and Insch 1998), many corporations still focus on the technical competencies required in the international assignment and overlook the significance of cross-cultural knowledge and the important function that the expatriate's family plays. Sappinen (1993) contests that some of the challenges in understanding this subject is perhaps associated with the inadequacy of the widely used definition of a failed assignment. Unfortunately, the majority of the research that has been undertaken about expatriate failure defines it as premature return. Because of this, the reasons for expatriate failure will be discussed based on this definition.

Inappropriate management of expatriates can have detrimental effects upon the organisation, the expatriate and his/her family. In terms of the expatriate, the costs incurred are likely to be financial and even psychological. From the company's

perspective, the more obvious costs or the *direct costs* of expatriate failure was stated by Mendenhall, Dunbar and Oddou (1987) to range anywhere between $55 000 to $150 000. In a more recent study by the National Foreign Trade Council in 1994, it was found that the estimated cost of poor international staffing decisions had escalated to deviate between $200 000 to $1.2 million (cited in Ashamalla 1998). These accounted for costs associated with relocation, compensation and retraining of a replacement. It is the *indirect costs* that are the most damaging and difficult to reverse in a short period of time (Ashamalla and Crocitto 1997; Daniels and Insch 1998; Shilling 1993). These encompass negativities such as loss of product market share and business opportunities, discredited corporate image and reduced productivity.

Research on expatriate failure has traditionally focused on three general areas, (1) the selection of the most 'appropriate' expatriate (Zeira and Banai 1985); (2) poorly developed or the complete absence of cross-cultural training (CCT) programs (Black and Mendenhall 1990); and (3) spouse and family issues (Black and Stephens 1989). These determinants will be addressed individually, with increased attention devoted towards the third category, as it is believed that it is an area that is not well studied.

2.2.1 The Selection of Expatriates

Tung (1987) suggests that when companies select potential candidates for expatriate assignments, there is an overemphasis on technical competence to the disregard of other important attributes such as relational abilities. In her study, it was determined that the lack of technical competence by an expatriate as a contributor towards expatriate failure

was ranked only in sixth place. It has been argued that because sufficient technical competence will, in most cases, avoid immediate failure, companies will opt to take the safest route by placing the focus on the expatriate's technical qualifications. The main reasons for expatriate failure in Tung's (1987) study were;

Main Reasons for Expatriate Failure
1) Inability of manager's spouse to adjust to the new environment
2) The manager's inability to adapt to the new environment
3) Other family related issues
4) The manager's personality or emotional immaturity
5) The manager's inability to cope with responsibilities associated with the overseas work
6) The manager's lack of technical competence

Table 1: Tung's (1987) Main Reasons for Expatriate Failure

However these findings are inconsistent with a more recent research undertaken by Stone (1991) of Australian and Asian managers and expatriates. In the survey where all participants were asked to rank the criteria in expatriate selection, only the Asian managers ranked technical competence first. The Australian managers and the expatriates ranked this factor in second and third place respectively. More interestingly, both groups ranked the ability of the expatriate to adapt to the foreign environment as the first selection criteria. Although the sample size was relatively small, which may limit its generalisability, it may be a positive indication that organisations are beginning to appreciate that other factors other than technical competencies are necessary when making selection decisions.

The debate that the ability to adjust to the foreign environment is equally as important as technical competencies is supported by Yavas and Bodur's (1999) study, where it was found that *relational capabilities* were just as essential for expatriate success, as it

directly supports the adjustment dimension. More specifically, they identified the following personal characteristics as ideal for an expatriate to possess: (1) being a culturally sensitive person; (2) having empathy for others; (3) willing to accept the challenge of intercultural experiences and; (4) being culturally prepared for the assignment. Although this list is by no means exhaustive, it provides a good indication that other factors are also necessary in selecting the most appropriate expatriate to relocate for an international posting. This leads to the following proposition:

Proposition 5: Selecting expatriates primarily on their technical competence increases the probability of expatriate failure

2.2.2 Cross-Cultural Training

In general, CCT refers to any activities or procedures implemented for the objective of increasing an individual's ability to work in and cope with a foreign environment (Tung 1981). CCT is a means by which companies can try to maximize the cultural sensitivity and tolerance that is necessary in expatriate programs. Black and Mendenhall (1990) found strong evidence that CCT has a positive correlation with expatriate adjustment. Zakaria (2000) supports this by suggesting that there are numerous benefits that expatriates can gain by having access to CCT. These include: providing an aid to culture shock in the new working environment; providing a means of reducing anxiety; and facilitating the expatriates' ability to cope with stress and disorientation. Finally, it has also been suggested to have the function of reducing or even preventing the failure of expatriate assignments (Giacolane and Beard 1994).

Despite these positives, it is unfortunate that many firms are skeptical about its usefulness. Firms that do offer such programs tend to define their efforts only within the parameters of debriefings about the host country's economic, political and general living conditions (Black and Mendenhall 1990). Although these documentary training sessions are more effective than none at all, it is still insufficient. CCT should include information that will assist the newly appointed expatriate in understanding some of the ways in which business is conducted in the new environment or information regarding the country's culture and customs. This will assist in enhancing performance in the new work setting, as well as facilitate a smoother transition into the living environment (Ashamalla and Crocitto 1997). This leads to the sixth proposition:

Proposition 6: Expatriates that have received some form of CCT will experience an easier adjustment into the new environment and hence increase the probability of a successful international assignment

2.2.3 Spouse and Family Issues

Strong contentions exists that all forms of predeparture training should be extended to the expatriate's family in an attempt to ease the transition process for all members who are involved with the international relocation (Ashamalla 1998). Considering that family-related issues have been found to be the main contributor towards expatriate failure, predeparture preparation of expatriates and their families is a prerequisite for the success

of international assignments (Baliga and Baker 1995). Thus, further awareness in this area is justified.

The consideration of spousal and family issues in expatriate management by organisations tends to be one of a peripheral nature. This trend is also reflected in literature on expatriate management, supported by Black and Stephens's (1989) claim that although there have been studies on corporations and expatriates themselves about expatriation, few have directly studied spouses. Furthermore, Black, Gregersen and Mendenhall (1992a) argue that, by comparison to what is known about the adjustment of expatriates, very little is known about the adjustment process of spouses, who in most cases are female. However more attention devoted towards gaining an improved understanding of the role that the spouse and family plays in the international assignment is warranted. This is because the 'spouse's inability to adjust to a different cultural and physical environment', and 'other family-related problems' were acknowledged to be the first and third most important reasons for expatriate failure respectively (Tung 1987).

It is a major oversight on the organisations behalf in overlooking the significant role that the expatriate's family plays. Family-related issues often have ramifications upon the expatriate's own adjustment process and their ability to perform effectively on the assignment. Challenges regarding the children, language and spousal adjustment are likely to heighten the expatriate's level of stress and uncertainty. Those expatriates whose family members are having difficulties adjusting are likely to feel responsible for their unhappiness whilst well adjusted families are likely to provide social support (Aycan

1997). As positive and negative spillovers from the family are likely, it is paramount that organisations formulate strategies that include the family as much as the expatriate (Harvey 1998; Stephens and Black 1991). A study by Black and Stephens (1989) on the influence of the spouse on international assignments concluded that: (1) the adjustment of the spouse was highly correlated with the adjustment of the expatriate; (2) a favourable opinion about the international assignment by the spouse is positively related to the spouse's adjustment; and (3) the adjustment of the spouse and the expatriate are positively related with the expatriate's intention to stay and complete the assignment.

This raises the question as to why the expatriate's family, and in particular the spouse, is so frequently overlooked, despite evidence of their significance. Harvey (1985) notes that the direct cost of one family returning prematurely is sufficient to cover the cost of establishing a comprehensive predeparture preparation program. Furthermore, it can benefit the organisation in future international assignments and prevent expatriate failure. Regardless of this, organisations continue to fail to recognise the importance of preparing the family. Dowling, Schuler and Welch (1994) suggest that organisations often feel a sense of intrusion into the personal life of the expatriates and their families when they try and involve them in preparation and adjustment programs. Due to this mindset, organisations then elect to withdraw from any involvement with the families. However such attitudes constrain the organisation from selecting the most appropriate couples and induces the probability of the spouse and family experiencing culture shock, and by extension, increasing the possibility of expatriate failure. Alternatively, Bauer and Taylor (2001) suggest that another possible reason for this negligence is that the features that

relate to spousal adjustment have received minimal research attention and as a consequence, this area is not well understood. Furthermore, what is known about expatriate adjustment cannot be sufficiently extended to the challenges that may be confronted by the spouse and the family. For instance, spouses typically interact more extensively with the local community in comparison to the expatriates.

Spouses typically experience a more difficult adjustment process than the expatriates. Therefore, this compounds the necessity for predeparture training and preparation to be extended to the spouses as well (see e.g. Fish and Wood 1997; Fukuda and Chu 1994). Uncertainty and instability of the relocation is likely to be more severe for the expatriate's family than it is for the expatriate, who continues to enjoy some degree of familiarity with the working atmosphere and ongoing networks with colleagues. Adler (1991) notes that overseas assignments are generally more difficult for the spouse than the expatriate where the spouse, in most circumstances, experiences 'excessive culture shock' as they lose a sense of structure and continuity. Similarly, Naumann (1992) notes that the spouse is likely to be faced with challenges such as loss of self worth, lack of contact with friends and family, social and cultural ostracism and also disruption of children's education. Likewise, children play a key role in expatriate assignments but their influence varies by age. Studies suggest that younger children between the ages of three to five, and teenagers, find relocations the most stressful. Those between the younger age group suffer from emotional difficulties, whilst the older age group is prone to suffer more social frustrations from the relocation (Gaylord 1979). Therefore the seventh and eighth propositions are presented:

Proposition 7: The expatriate's family adjustment in the new environment will positively influence the expatriate's adjustment in the new environment and hence increase the probability of a successful international assignment

Proposition 8: The number of children accompanying the expatriate on an international assignment increases adjustment difficulties

Whether expatriates are using their spouses as a 'scapegoat' in replacement of admitting their own shortcomings, is an issue that requires further clarification (Naumann 1992). This is imperative to distinguish as such claims have an influence on the direction of future company resources. If such claims are true, then it should be equally stressed to corporations that expatriates, as well as their families, require further predeparture training. Dowling and Welch (1988) claim that attributing expatriate turnover to the failure of the spouse to adjust may be too simplistic. It may be the expatriates themselves who are either unable to adjust satisfactorily or find the assignment too difficult to complete. Nevertheless, scapegoating reduces the negative career ramifications of an early transfer home for the expatriate. This leads to the final proposition:

Proposition 9: The spouse's inability to adjust is often falsely taken to be the main reason for expatriate failure

In summary, this literature review proposes that the most commonly accepted definition of expatriate failure is inadequate in measuring the true extent of expatriate failure. Furthermore, it is suggested that the reasons for expatriate failure require further investigation. This is partly because spouses, who are believed to be the main reasons for expatriate failure, have received insufficient attention and research. As such, nine propositions have been devised in this study that directly relate to these gaps in the current literature. The first four propositions refer to the poorly suited definition of expatriate failure, while the last five propositions refer to the reasons for expatriate failings. Chapter three will discuss the research methodology that was implemented to test these propositions.

Chapter 3: Research Methodology

This chapter outlines the inductive qualitative approach used in this study. Firstly, the method through which the study was carried out will be discussed. This is followed by discussions on how data was collected and the recruitment of participants. The chapter concludes with a discussion of the design of the interview questions and how propositions were tested.

3.1 Method

Predominantly there are two types of research methods, a qualitative and a quantitative approach. The former approach uses methods to collect descriptive and contextually situated data to seek an understanding of human experiences (Mann and Stewart 2000). The latter approach presents data as numerical relationships and typically has a formalized form and style (Glesne and Peshkin 1992). This study was undertaken using qualitative research methods, which Maxwell (1996) identifies its strength to be their inductive approach. The qualitative approach was ideal for this research project for two main reasons: (1) theories and results are derived that are understandable and experientially credible to the sample group and others and (2) conducting formative evaluations will help to improve existing literature rather than simply assessing the value of it. Therefore a quantitative approach was believed to be insufficient, as presenting data in numerical terms would not have captured the human element of the responses or provide in-depth explanations that were sought after (Van Maanen, Dabbs and Faulkner 1982).

3.2 Data Collection

Data was collected in two ways: personal interviews and emailed responses. Firstly, personal interviews were conducted in the form of semi-structured interviews. This format allowed the researcher to encourage conversations from participants, and gave participants the flexibility to contribute additional information that they thought were relevant to the research topic (Mann and Stewart 2000). Interviews took place at a mutually agreed place and time, and all personal interviews were recorded on audiotape and subsequently transcribed. The tape recording helped maximize accuracy and enabled the researcher to concentrate on the quality of the responses rather than on writing down the responses.

After the initial greeting of the participant, participants were shown a copy of the Plain Language Statement. After this, they were asked whether they had any questions that they wished to clarify before the start of the interview. Participants were then asked if they wished to view the full transcript of the interview before their responses were incorporated into the results. Finally, the consent forms were signed before the interview started. All interview questions followed a common order but additional questions were asked to some participants when further expansion was favoured. The second last question allowed participants to add additional comments, and the final question asked whether the participant would like to be informed of the research findings. On average, interviews took about forty minutes.

The second means of data collection was via emailed responses to identical interview questions. All documentation was emailed to potential participants in advance so that they were aware of what types of questions would be asked. Twenty-eight people were contacted by email and seventeen choose to participate. Those who agreed emailed responses back within two to three weeks and noted that they had agreed to all the contents of the consent form. The researcher chose this second mode of data collection, as it presented many advantages (Mann and Stewart 2000). Firstly, it has the ability to obtain a larger sample group. This helped to increase the relevance of generalizing the findings because it applied to more people. Secondly there was significant time and cost savings, especially when all personal interviews needed to be transcribed. Lastly, emailed responses allowed the respondents to answer the questions in their own time and at their own pace, which helped facilitate in-depth and well thought-out responses.

3.3 Respondents

Three initial respondents were found by the recommendations of the researcher's supervisor, Dr. Anne-Wil Harzing. From this point forward, all participants were asked whether they knew of any other expatriates, repatriates or spouses who may be interested in being involved with the research project. Participants helped by contacting other friends or colleagues who might be interested. However it was relatively difficult to find participants who were willing to take part in personal interviews. One of the most significant challenges was locating them in general, and more specifically in the same city to conduct the interview. Overall, it was relatively easier to gain commitment from participants if there was an opportunity to communicate with them initially over the

telephone to answer any questions. From this point, arrangements were made for a personal interview at a mutually agreed upon place. In all four cases where the researcher was able to talk to the potential participant over the telephone, he/she agreed to be interviewed personally.

Recruiting participants for emailed responses was much easier than finding participants for personal interviews. This was because emailed responses overcame the issue of the physical location of the respondent. Associations and institutions, which were involved with expatriates were contacted and provided great help. For example, the American-Australian Association and the Southern Cross Group kindly send out e-newsletters to their members about the research project. Interested members were able to email the researcher directly. Furthermore, notices were placed on the 'Australians Aboard' and 'The Trailing Spouse' website. The Victorian Endowment for Science Knowledge and Innovation assisted by contacting potential participants, as they conducted a similar study one year ago. Interested participants contacted the researcher directly via email or telephone. Regular contact with all these groups was maintained over a three-month period from May to July.

All respondents found the interview questions clear and relevant. Participants responded well to the questions and were more than happy to share their experiences. Overall, the responses were of a good quality and depth, confirming the appropriateness of a qualitative approach to this research as opposed to a quantitative approach.

The break down of respondents is as follows;

	Repatriates	Expatriates	Spouses
Personal Interviews	4	1	1
Emailed Responses	6	4	7
Total by Category	10	5	8
Total	**23**		

Table 2: Summary of participants

3.4 Design

Interview questions were formulated after a review of the existing literature on expatriate management to ensure sharper and more insightful interview questions about the topic (Yin 1994). As the current literature on expatriate management lacks standardized questions, questions needed to be developed. The interview questions were designed to be able to test the nine propositions. For example, the first proposition is 'expatriate failure is predominantly defined on the basis of premature return'. Therefore, an appropriate interview questions was 'what does expatriate success or failure mean to you?'. The questions were deliberately designed to be open-ended and to avoid leading questions. The interview questions for the expatriates and repatriates (termed (re) expatriates) centred primarily on exploring the definition of expatriate failure and its reasons. Conversely, the interview questions directed at the spouses focused predominantly on the spouse's responses to the adjustment process and how they determined expatriate success and failure. Separate sets of interview questions for the (re) expatriates and spouses are attached in Appendices A and B respectively.

A pilot test was first conducted with two participants, a repatriate and spouse, to determine whether the interview questions were understandable and applicable in

addressing the research propositions. After the pilot test, question 7a and 10c were added to the (re) expatriates interview questions, as this would help derive more direct responses to the research topic. In relation to the spouses interview questions, question 11a was added for the same reason.

In the analysis of the data collected, responses from expatriates and repatriates were presented together. In instances where expatriates were yet to be repatriated, repatriation questions were slightly altered and their responses referred to their knowledge of how their company in general handles such situations. It was assumed that if the company responded to repatriation in a particular manner in the past, then they are likely to continue this response in the near future. The data collected were tabulated in an Excel spreadsheet according to the interview question and whether they were a (re) expatriate or spouse. The frequency of responses was reported under these categories. Respondents were able to record multiple answers to any particular question. Patterns and trends were then identified and presented. Some direct quotes were used from the participants, who remained anonymous, and reported in the results chapter. The quotes chosen were insightful and provided evidence for the support or lack of support for propositions.

3.5 How Propositions Were Tested

Propositions in the study were tested by a series of questions tabulated below in Table 3. These interview questions correlated directly with the propositions and were designed for the purpose of testing the propositions. Although these questions provided a direct measure to the propositions, and ultimately the research questions, additional comments were also taken into consideration.

	Research Questions	
	Proposition	Questions Used to Test the Propositions
1	1&2	• What does expatriate success or failure mean to you? • How did your company measure the success or failure of your assignment?
	3	• Was your repatriation process discussed prior to your departure? • Do you think discussions about your repatriation will help minimise reverse culture shock?
	4	• Did you feel that the skills and knowledge that you acquired was valued and utilized? • Do you think that the company's recognition of new skills and knowledge will reduce repatriate turnover rates?
2	5	• What do you believe are the main reasons for expatriate success and failure? • How did these factors affect your assignment?
	6	• Did you receive any form of pre-departure training? • What form did it take? • Did you find it relevant or useful?
3	7	• Do you think that how the expatriate's family adjusts affects the adjustment process of the expatriate?
	8	• Did you have any accompanying children? • How many? • Do you think this would have altered your adjustment process?
	9	• Why do you think spouses are believed to be the main reason attributing to expatiate success or failure? • Do you think it is justified?

Table 3: Questions used test the propositions

Formal ethics approval was granted by the Art and Education Human Ethics Subcommittee on June 2nd 2003, provided in Appendix C. The following chapter will now present the results of the study and whether the nine propositions were supported or not.

Chapter 4. Results

This chapter will present the results of the research. All propositions were tested using specific interview questions, identified in Table 3 (section 3.5), as well as general comments provided by participants. Each of the nine propositions will be presented

individually. Additional information gathered about the (re) expatriates' and spouses' experiences will be discussed first.

On average the (re) expatriates have been on only one international assignment and likewise, the trailing spouses have accompanied the expatriate on one assignment. Only six (re) expatriates had a trailing spouse, and subsequently three of them participated in the study. In total fifteen (re) expatriates and eight spouses participated.

Communication between the (re) expatriates and the home company was maintained on a weekly basis (6), daily basis (4) or inconsistently (5). However, the type of information that was exchanged was predominantly business focused (14). In fact, the only case where a respondent exchanged information with the home company about adjustment issues into the new environment was when there was a presence of a mentor. In this case the respondent commented that: *" the mentor was more concerned about how I was fitting into the new culture and working environment…talked about homesickness and there was a great deal of comfort talking…he too was a prior expatriate, thus knew what I was experiencing"*.

When the (re) expatriates were asked how satisfied they were with how their assignment was handled, only one respondent noted that they were very satisfied. The other respondents commented that they were either fairly satisfied (7) or not satisfied (7). One participant commented that: *"we got no help at all for anything. We were left on our own to do the removal, settle in and find our feet. In hindsight it was very tough, but at the time we just thought that's how everyone did an international relocation"*. Another

participant felt the same and noted that: *"the international assignment was not 'managed'…ignored more like it…or mismanaged at best"*.

When the spouses were asked the same question, six out of eight participants reported that there should be more consideration for the spouse's assimilation into the country, while others thought that predeparture training should be extended to them (3) and that companies should try harder to gain working permits for the spouses (3). In regards to this last point, one participant noted that: *"my main issue is that I am unable to work…it was very difficult adjusting from having a decent career and position in the community, to feeling like a second class human being"*. A similar comment: *"I stressed out a lot, felt really lonely and depressed. I still don't know what to do about my non-working status, and it might mean that I go back to Australia"*.

When the (re) expatriates were asked what they thought should be done differently or how should the program be modified, there was a wide range of responses. Some thought that there should be improved predeparture training (6); more support in all aspects of the program (5) and; more respect, attention and time for family issues (3). In contrast, when the (re) expatriates were asked what they think should remain in the program, many had difficulty answering this question. However the most common responses were the predeparture training program (5), the business preparation (2) and mentor program (1).

Spouses similarly had difficulty in answering the question about what elements of the expatriate program should remain. The most common answers were the paid trips back

home (2), the language courses (1) and the thorough health checks (1). However, in general, most participants believed that the international relocation that they experienced required improvements in most areas. Nonetheless, all (re) expatriates and spouses responded positively when asked whether they would agree to commit to another international posting.

The results from the study are presented below. Each proposition is presented individually and whether they are supported or not supported will be discussed. A summary of the results is presented in Table 4.

Proposition	Results
1	Not supported
2	Partially supported
3	Supported
4	Supported
5	Not supported
6	Supported
7	Supported
8	Supported
9	Not supported

Table 4: Results Summary

4.1 Definition of Expatriate Failure

In general, all fifteen (re) expatriates regarded their current or previous expatriate assignments to be a success. This is a significant finding because expatriate failure is believed to be relatively high (see e.g. Gray 1991; Stone 1991). Furthermore, when asked about the reasons for choosing to accept the assignment, most respondents reported that it was for the love of traveling (9) and opportunities to bring new experiences (7). This may be one possible reason for the high levels of success because the expatriates accepted the assignment for self-fulfillment as well as for work-related factors such as seeing it as a

promotion (4) and the financial benefits (5). One respondent in particular commented that: *"someone needs to have this 'want' in order to be successful and look at it more than just a job...but integrate into the culture and try and be involved in the new environment"* [sic].

Having the right attitude also is important in trying to maximize expatriate success. This was evident in some of the expectations that the (re) expatriates had about their international assignment, which may have played a significant role in their perceived level of success. When asked about their expectations of their international posting, prior to leaving the home country, the most common responses were that the culture was going to be different (8) and that the work would be very interesting (6). The least common expectations were that they would receive increased money (1) and develop shallow relationships and friends (1).

Proposition 1: Expatriate failure is predominantly defined on the basis of premature return

Only three out of fifteen (re) expatriates reported that coming home prematurely meant expatriate failure to them. More realistically, the respondents found that issues such as the inability to learn new things (9) and the inability to adapt (5), to be a more appropriate measurement of expatriate failure. Similarly, when asked about how their company measured the degree of success of their international postings, a majority of them (12) reported that it was whether or not project objectives were met.

From the spouse's perspective, only one out of eight defined expatriate failure in terms of premature return. More fittingly, they found that other aspects such not every member of the family having positive experiences (4) and not enjoying the experience (3) to be a more accurate indication of expatriate failure. Therefore, this proposition is not supported.

Proposition 2: Expatriates who do not achieve the performance objectives of their international assignments should also be regarded as expatriate failures

A minority of (re) expatriates agree that not achieving performance objectives should also be regarded as expatriate failure as only four respondents answered positively. They believed other factors such as 'the inability to adjust' to be more appropriate. This contrasts significantly with how the expatriate's company defined expatriate failure. (Re) expatriates reported that most of their companies measure the degree of success of their assignments based on whether they achieved the performance objectives (12). Therefore, this proposition is only partially supported.

Proposition 3: A successful repatriation process has a positive influence on the readjustment of the repatriate into their home environment

Unfortunately, nine out of fifteen companies did not discuss the repatriation process with the (re) expatriates prior to their departure for their international assignment. However

eleven (re) expatriates did report that discussions about their repatriation process would have helped minimise reverse culture shock and subsequently, helped with their readjustment into their home environment. One respondent who did receive repatriation training commented that: *"the firm did offer a 'repat' seminar which I took and it did make the re-entry much easier than it would have been without it…although it is still not easy"*. A respondent that did not receive any form or re-entry training noted that: *"I think it is necessary to give counseling sessions to repats. In particular to help them to regain local updates and contacts"*. Given this, this proposition is supported.

Proposition 4: Companies that fail to utilize or value the skills and knowledge gained by the repatriates from their overseas posting will run a higher risk of those repatriates leaving the organisation

Over half of the (re) expatriates believed that their newly acquired skills and knowledge were valued by the home corporation (8). One respondent noted that: *"the repat is better at what they do but the benefit to the organisation is indirect as there is no attempt at knowledge transfer, for example, there is no training of other people"*. When asked whether they thought that company recognition for these unique capabilities would assist in reducing repatriate turnover, a majority of participants answered positively (11). One repatriated noted that: *"you come back with all these new experiences and knowledge and it can be disheartening when the company does not give recognition"*. Therefore, the fourth proposition is supported.

4.2 Reasons For Expatriate Failure

When the (re) expatriates where asked what they thought were the predominant reasons for expatriate failure, their top six responses were as follows;

Main Reasons for Expatriate Failure
1) The expatriate's inability to adapt to the new environment
2) Not achieving family acceptance and assimilation
3) Lack of support from the Head Office
4) Not having an open mindset
5) Lack of willingness to learn
6) The expatriate's lack of technical competence

Table 5: Main Reasons for Expatriate Failure

Proposition 5: Selecting expatriates primarily on their technical competence increases the probability of expatriate failure

When (re) expatriates were asked what they thought were the main reasons for expatriate failure, only one participant reported that it was due to technical incompetence. Over half of all (re) expatriates noted that they were sent on an overseas assignment purely because of superior performance in the home company (8). Their ability to display exceptional technical competencies at home was therefore the main basis for the company choosing to send them abroad. However, none of the participant's international assignments were considered to be a failure. Therefore, this proposition is not supported.

Proposition 6: Expatriates that have received some form of CCT will experience an easier adjustment into the new environment and hence increase the probability of a successful international assignment

Eleven (re) expatriates reported to have received some form of predeparture preparation whilst the remaining four received nothing in this form at all. The most common forms of predeparture preparation were business discussions (5) and look-and-see visits (4), while the least common was CCT (2) and the provision of documents and brochures regarding the assignment destination (1). When asked about its potential or actual usefulness and relevance in helping them adjust to the new environment, a majority of participants responded positively (11). Therefore, the sixth proposition is supported.

4.3 Spouse and Family Issues

The results of this research found that the most common obstacles that spouses had to confront during international assignments included the following;

Obstacles Faced By Spouses
1) Loss of job and career
2) Performing the day-to-day activities
3) Isolation from family and friends
4) Need to be more sociable and entertaining
5) Loss of identity
6) Adapting to a new culture

Table 6: Specific Obstacles Confronted by Spouses

The most common ways that the spouses tried to overcome these obstacles were to attend expatriate spouse clubs (5), to take the initiative to make new friends (3) and to undertake voluntary work (3).

Unfortunately, only five spouses reported that their partner played a role in helping them overcome their adjustment issues. Some participants reported that it was due to a lack of understanding of the issues that they had to face, evident in the following statement: *"he did the best he could but the reality is that he has little idea what its like to lose structure in your day, lose your feeling of worthiness etc…"*. Furthermore, when asked whether the company's home company played a role in helping them overcome obstacles associated with the transfer, five spouses gave negative reports. In most instances, the company was concerned that they were compensated adequately for the inconvenience of the relocation, but very little in helping with adjustment issues.

Proposition 7: The expatriate's family adjustment in the new environment will positively influence the expatriate's adjustment in the new environment and hence increase the probability of a successful international assignment

All spouses (8) reported that they believed that the expatriate's adjustment is directly affected by their own adjustment in the new environment and by extension, influencing the success of the expatriate's assignment. Of those (re) expatriates that did have a trailing spouse (6), three of them reported that one of the main issues that they felt were difficult in the adjustment process was in settling the family. When asked how this had affected their own adjustment process, all three reported that when their family and in particular, the spouse was settled, it was much easier for them to settle into the environment as well. One expatriate stated that: *"when she found her own 'thing'…our adjustment increased because she was happier to be here, so I did not worry about her as*

much as I did initially. Consequently I was then able to do more business traveling as she was more settled". This clearly shows that the adjustment of the spouse enabled the expatriate to concentrate more on his work issues than to have to worry about the difficulties that his spouse was experiencing. Another expatriate commented that: *"if things go well at home and work, it is far easier to be happy and accepting of your new location".* Therefore, this proposition is supported.

Proposition 8: The number of children accompanying the expatriate on an international assignment increases adjustment difficulties

Two out of six spouses reported to have had accompanying children between the ages of four and seventeen years old. When asked how this had affected their adjustment process, both reported that the presence of children made the adjustment process much more difficult. This was also reflected in their response to the question regarding the difficulties that they faced in the adjustment process. Issues such as settling the children into schooling, acting as a greater supporter to everyone and putting themselves last were a result of having accompanying children on the international assignment. One spouse noted that: *"traveling with children (particularly teenagers) alters the whole adjustment process…first the working partner needs to be settled, and then quickly the children need to be settled into schooling…lastly the spouse".* This is similar to another spouse's comment where she noted: *"it made it slightly more difficult because I had someone else to think about".* Therefore, this proposition is supported.

Proposition 9: The spouse's inability to adjust is often falsely taken to be the main reason for expatriate failure

When spouses were asked why they think that they are believed to be the main reasons for expatriate failure, half of them reported that it was because unhappiness at home impacts on the work of the expatriate. Furthermore, because in most cases the spouses act as the anchor for the expatriate (3), their role in the international assignment is crucial. When asked whether they thought that this claim is justified, all reported positively. In particular, one spouse justified their importance in contributing towards the expatriate's success and failure by commenting that: *"if the family adjusts, then the expatriate will be relieved…just think of the stress he's under if he finds his daughter/son/wife isn't adjusting to the new environment he has created"*. Therefore, the ninth proposition is not supported.

The following chapter will now discuss the study's findings in relation to the research questions.

Chapter 5: Discussion

The purpose of this chapter is threefold. Firstly, the main findings of this research in relation to the three research questions will be discussed individually. Secondly, the limitations of the study will be identified. Finally, this chapter will conclude with a discussion on future research directions and their implications for management.

5.1 Research Questions

This thesis addressed three main areas of interest: (1) the definition of expatriate failure, (2) the reasons for expatriate failure and (3) spousal and family issues. This subsequently formed the basis for the three research questions, which will now be discussed individually.

Research Question 1: How is the success or failure of international assignments defined?

It has been argued throughout this thesis that defining expatriate failure within the scope of premature return is insufficient and inappropriate, as this term should take into account other aspects that were tested in propositions 2 to 4. Unfortunately, most literature continues to define this term within narrower boundaries (see e.g. Ashamalla 1998; Fukuda and Chu 1994). Not only does this undermine the accuracy of studies in this area, it also means they are of limited relevance to practitioners.

However the results of this research show that there is a stark contrast between theory and practice. Although expatriate failure is defined predominantly as premature return in most literature, the research results demonstrate that this is not the most appropriate definition. Propositions 1 to 4 clearly show that (re) expatriates, spouses and companies define expatriate failure in much broader terms than the literature suggests. More specifically, the first proposition shows that a minority of the participants believed that premature return was an accurate indicator of expatriate failure. Participants believed that other factors such as not achieving performance objectives and the inability of the expatriate and family to adjust to the new environment, to be more satisfactory indicators for expatriate failure.

This is consistent with Shaffer and Harrison's (1998) argument that the definition of expatriate failure should encompass a great deal more than premature return. Propositions 2 to 4 show that other contingencies such as performing under par, repatriation

difficulties and the undervaluing of the repatriates' skills and knowledge are just as important when accessing the degree of success of an international posting.

Therefore, the results of this research indicate that the definition of expatriate failure should be contingent on factors other than just premature return.

Research Question 2: What are the predominant reasons for expatriate failure?

The reasons for expatriate failure have attracted much academic attention due to its tendency to incur significant costs for the expatriate, the expatriate's family and the company (Daniels and Insch 1998; Mendenhall, Dunbar and Oddou 1987). One of the most influential studies conducted on this topic is by Tung (1987) and her main findings have been illustrated in Table 1 (section 2.2.1). Despite these findings, Tung (1987) identifies that although the manager's lack of technical competence ranks only in sixth place for the predominant reasons for expatriate failure, it is the most common selection criteria by companies when choosing potential expatriates.

This is supported by the findings in proposition 5. Over half the (re) expatriates reported that their successful selection for the international assignment was due to their ability to display exceptional technical competencies at home. However, only one (re) expatriate believed that the main reason for expatriate failure was technical incompetence, reconfirming Tung's (1987) finding of the relative insignificance of technical incompetence as a contributor towards expatriate failure.

The support for proposition 6 also provides evidence to confirm Tung's (1987) top two reasons for expatriate failure. As CCT was rarely provided for expatriates, let alone their spouses, it may be a contributing factor as to why the spouse and expatriate's inability to adjust to the new environment is still perceived to be the main reasons for expatriate failure. This is illustrated in Table 5 (section 4.2).

The importance of the expatriate and their family's ability to adjust to the new environment was consistent across both research findings. One of the main findings of this study was that the role of the parent company was perceived to be important in influencing the degree of success of an international assignment. Many participants noted that the lack of continued home company support and communication was also an important contributor towards expatriate failure.

Therefore, the predominant reasons for expatriate failure were still perceived to be the inability of the expatriate and his/her family to adjust to the new environment.

Research Question 3: What are the more specific obstacles that spouses are confronted with during international assignments?

Simply realizing that the 'spouses' inability to adapt' to the new environment is the main reason for expatriate failure is inadequate (Tung 1987). If more specific obstacles that spouses have to confront in international assignments are left ambiguous, then this only

provides limited assistance in trying to minimise expatriate failure. Unfortunately, research on trailing spouses is insufficient (Black, Gregersen and Mendenhall 1992a; Black and Stephens 1989). There is still limited empirical evidence on spouses (see e.g. Bauer and Taylor 2001; Simeon and Fujiu 2000; Solomon 1996).

Proposition 7 highlighted the importance of the expatriate's family adjustment upon the expatriate's own adjustment, and ultimately the success of the international posting. Likewise, proposition 8 showed that the configuration of the family accompanying the expatriate not only affects the adjustment of the expatriate, but it also represents one specific hurdle for the spouse's adjustment, if traveling with children are involved. As the spouses clearly play a pivotal role in the overall success of the expatriate's international assignment, proposition 9 showed that the perception that the spouse's inability to adjust in the new environment as the main reason for expatriate failure is justified.

The results of this research in regard to the specific obstacles that spouses had to confront during their international posting are illustrated in Table 6 (section 4.3). These findings are consistent with Solomon's (1996) study where she found that the issues of dual career, and having to leave family behind, to be the main areas of concern for trailing spouses. They are required to move from a life where they are working person to just a supporting role, which is a major transition that requires adjustment.

Therefore, spouses in many instances experience a more severe adjustment process than expatriates as they lose most of their sense of belonging. The most common obstacles

that spouses have to confront during their international assignments were their loss of self-identity and having to forgo their jobs and career.

5.2 Research Limitations

There are three main limitations of this study. The first limitation of this study refers to the recruitment of participants. As this study is on the topic of expatriate failure and the reasons for it, 'failed' (re) expatriates are unlikely to voluntarily participate in this research, as it can be a very sensitive and personal issue. Furthermore, if an expatriate was 'failing' in the international assignment, they are also unlikely to admit to it openly in his/her responses to the interview questions. Taking this into consideration, there is a possibility that the responses are biased as all respondents reported that their international assignment is or has been a success.

The second limitation refers to the testing of the first proposition. When testing whether expatriate failure was predominantly defined as premature return, responses from the spouses and the (re) expatriate's company were taken into consideration. However due to the fear of privacy violations and conflicts of interest, the (re) expatriate's home company was not interviewed directly on how they interpreted this term. Instead, the (re) expatriates were asked how their company defined this term. Therefore, the (re) expatriates' interpretation of how their company defines expatriate failure may be inaccurate.

The third limitation of this study refers to the sample size. While recruiting twenty-three participants was sufficient in obtaining valuable, broad and in-depth information, an increased number of participants would have been able to enhance the generalisabilty of the results. As the target for the sample group was relatively strict, locating possible (re) expatriates and spouses to participate in this research was rather difficult.

5.3 Future Research Directions

A valuable future research direction is to examine the definition of expatriate failure from both the (re) expatriates' and companies' perspective to determine whether differences in interpretation exist. This methodological difference is significant because previous literature has only focused on empirical evidence from one or the other, presenting a rather incomplete picture. Differences in the definition of expatriate failure will have implications upon the estimation of expatriate failure within the organisation and the perceived reasons for it. It is important to reconcile these differences, as there should be a uniform definition of this term within an organisation so that expatriate management can be carried out effectively.

Another useful research direction is to incorporate both qualitative and quantitative research methods in future studies on expatriate failure. This study shows that a qualitative approach is appropriate because it has been able to provide extensive and in-depth responses from the participants, which is ideal for this type of study. One of the vital advantages of this approach is that it has helped to improve existing literature rather than simply assessing it (Maxwell 1996). This should be the main aim for most research

projects. However, the addition of quantitative methods will increase the strength of the results and contribute valuable information that a qualitative approach may not be able to gather. For instances, patterns of correlation or causation with expatriate failure and the reasons for it, may be better explained by a quantitative approach as opposed to a qualitative one. By combining the two research approaches, future studies might be able to capture the benefits of both methodologies.

The degree to which headquarters' support, or the lack of it, contributes to expatriate failure is another area that deserves further research. The inadequacy of perceived headquarters' support by (re) expatriates was reported to be the third main reason for expatriate failure. This is inconsistent with Tung's (1987) findings, as this factor was not identified in her six main reasons for expatriate failure. This suggests that the headquarters' role has emerged to be increasingly important to the overall success of the international assignment, a factor that has not been previously identified. To date, there has been very limited empirically-based research, which tests whether there is any correlation between inadequate headquarters' support and expatriate failure. Given the results of this research, further research in this area is warranted.

5.4 Conclusion and Implications for Management

This research has shown that the definition of expatriate failure according to (re) expatriates, spouses and companies is beyond the boundaries of premature return, as shown by most literature. Participants have found that other measures such as the inability to adapt, undervaluing of the repatriates skills, not achieving assignment

objectives and the lack of family assimilation to be more accurate indicators of expatriate failure. This is a significant finding as it raises the need for new literature to take these additional aspects into consideration when defining expatriate failure.

Another interesting finding of this study - that is not surprising, but deserves attention - is that the importance of the expatriate and their family's ability to adjust to the new environment is consistent with other literature (see Tung 1987). This is still believed to be one of the predominant reasons for expatriate failure, and one that needs to be addressed with urgency. Numerous studies, inclusive of this one, have highlighted the importance of the expatriate's family in the international assignment and ultimately the success of it. This represents significant implications for management. Given that the specific obstacles that the spouses have to face in these international postings have been identified, (such as the loss of career and isolation from friends and family) organisations have limited reasons not to proactively devote increased resources and attention to assist the trailing spouse and family in the hope of minimizing the extent of expatriate failure. Furthermore, as the lack of headquarters' support has been found to be one of the main contributors towards expatriate failure, this calls upon organisations to monitor their expatriates and their families more closely to ensure that they are coping with the international posting, from both a business and personal perspective.

This thesis has shown that defining expatriate failure by the single measure of premature return is misleading, inaccurate and insufficient. Unwillingness by contemporary literature to identify this flaw will result in the accumulation of information that is of

limited relevance to practitioners and expatriates alike. Recognizing that there are more appropriate measures of expatriate failure may also change the way the reasons for expatriate failure are perceived. As the predominant reasons for expatriate failure have remained consistent, the significance of the role of the home company has increased as a contributor towards expatriate failure. Organisations need to be aware of this, as well as the continued importance of the spouse and family in the management of expatriate assignments.

Chapter 6: References

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Chapter 7: Appendices

Appendix A

(Re)Expatriate Interview Questions

Section 1: Exploring Expatriate Success or Failure

Q1. How many expatriate assignments have you been on?

Q2. What does expatriate success or failure mean to you?

Q3. How did your company measure the success or failure of the assignment?

    a) Why do you think that this is so?

Q4. Did you know that your performance was being measured this way?

    a) Did you think that it was the most appropriate?

Q5. At which point in the duration of the assignment did you decide that your program was a success, failure or neither?

    a) Looking back, do you now think that this was the most appropriate time to assess the success of the assignment?

Section 2: Reasons for Expatriate Failure or Success

Q6. What were the main reasons for you choosing to accept the international assignment?

Q7. Did you have any expectations about the assignment?

    a) What were your expectations of the assignment?

    b) Were your expectations met?

Q8. Did you receive any form of pre-departure preparation?

    a) What form did this take?

    b) Did you find it relevant and useful?

Q9. Did you have a trailing spouse?

    a) Was the pre-departure preparation extended to them?

    b) What form did this take?

Q10: How frequent was communication/contact maintained between you and the home company?

    a) How was this communication/contact maintained?

    b) What type of information was exchanged or discussed?

    c) Did you find this helpful or reassuring?

Q11. What were the main issues that you felt were difficult in the adjustment process?

    a) How did you overcome these?

    b) How did this impact on your adjustment process?

    c) Did your partner play a part in helping you overcome these difficulties?

    d) Did your company play a part in helping you overcome these difficulties?

Q12. What factors made your adjustment into the new environment easier?

    a) Can you think of any activities or experiences that strengthened your self-esteem or self-confidence (self orientation dimension)?

    b) Can you think of any activities or experiences that made it easier to interact with the locals (other's orientation)?

    c) How well did you understand or relate to how the foreigners behaved (perceptual dimension)?

    d) How similar was that countries culture to your home culture (cultural toughness)?

Q13. If you had the opportunity again, would you agree on another international assignment?

    a) What factors would you consider?

Q14: Overall, how satisfied were you with the method in which the international assignment was managed?

a) What do you think should have been done differently?

b) What elements do you think should remain?

Q15. Was your repatriation process discussed prior to your departure?

a) Did you feel that the skills and knowledge that you acquired was valued and utilized?

b) Do you think that the company's recognition of new skills and knowledge will reduce repatriate turnover rates?

c) Do think discussions about your repatriation will help minimise reverse culture shock?

Q16. What do you believe are the main reasons for expatriate success or failure?

a) How did these factors affect your assignment?

b) Are there any suggestions as to how this can be minimized or maximized?

Q17. Are there any other remarks that you would like to add?

Q18. Would you like to be informed of the findings of this research?

Appendix B

Spouse Interview Questions

Section 3: Spouses Responses to the Adjustment Process

Q1. How many international assignments have you accompanied your partner with?

a) Did this affect your adjustment process?

Q2. How long have you been back in your home country from your partner's latest assignment?

Q3. Did you receive any pre-departure preparation from your partner's company?

    a) What form did this take?

    b) What was the duration of this?

    c) Do you think this would be/was helpful?

Q4. Did you have any accompanying children?

    a) How many?

    b) What age/s?

    c) Do you think that this would have altered your adjustment experience?

Q5. What were the main issues that you felt were difficult in the adjustment process?

    a) How did you overcome these?

    b) How did this impact on your adjustment process?

    c) Did your partner play a part in helping you overcome these difficulties?

    d) Did your partner's company play a part in helping you overcome these difficulties?

Q6. What factors made your adjustment into the new environment easier?

Q7. What does expatriate success or failure mean to you?

    a) Do you think it means the same thing to organisations?

Q8. Did you remain in contact with family and friends?

    a) How did you do this?

Q9. If you had the opportunity again, would you agree to accompany your partner on another international assignment?

a) What factors would you consider?

b) Would you recommend it to a friend or family member?

Q10: Overall, how satisfied were you with the method in which the international assignment was managed?

a) What do you think should have been done differently?

b) What elements do you think should remain?

Q11. Why do you think spouses are believed to be the main reason attributing to expatriate success or failure?

a) Do you think it is justified?

b) Do you think that how the expatriate's family adjusts affects the adjustment process of the expatriate?

Q12. How can your adjustment process be made easier and smoother?

Q13. Are there any other remarks that you would like to add?

Q14. Would you like to be informed of the findings of this research?