ISSUES AND VALUES AFFECTING THE INTEGRATION OF AMERICAN EXPATRIATES IN EMERGING ECONOMIES

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By

Alexander E. Reish, B.S.F.S

Georgetown University
Washington DC
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Alexander E. Reish, B.S.F.S

Mentor: Douglas M. McCabe, Ph.D.

ABSTRACT

The international competition arising from the increasingly integrated world economy has highlighted the need for effective selection, training, and repatriation of expatriate employees. The technical and cultural obstacles characteristic of an overseas assignment require equal technical and cultural competencies on the part of expatriate employees. However, a diminished understanding of effective expatriate selection and training has led to a high failure rate of expatriate assignments, both due to premature return as well as insufficient expertise. The annual financial costs associated with expatriate failure in the United States are estimated between $2 and $2.5 billion, with an estimated failure rate of 40% to 50%; such failure rates are all the much higher in emerging economies, which make up a growing proportion of American overseas investments. Considering such high costs, it behooves MNCs to refine their hiring practices: this thesis is an attempt to provide a comprehensive model to serve as a basis for International Human Resources Management in expatriate selection and training. This is accomplished by identifying distinguishing cultural characteristics of American workers and their implications in international management; identifying the characteristics of emerging economies contributing to expatriate failure; finally, adapting Engle’s competency cube to selecting and training workers for overseas assignments.
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CHAPTER 1
INTRODUCTION

The modern era of globalization has featured sweeping phases of transnational business growth, deregulation of major industries across many countries, the progressive amalgamation of large business entities across a variety of industries, and the promulgation innovative business practices featuring strategic alliances and international joint ventures. These have arisen as both the dynamic products of and the evolving means by which private interests have sought to establish and profit from their competitive presence in the international marketplace.

The resultant opportunities and challenges have intensified the need for employers to locate and select competent managers and technical professionals to enable transnational business ventures to succeed. This need has in turn encountered serious complications of its own; due to the profound differences that exist among countries and across civilizations in terms of the significant distinctions in labor markets, national culture, legal and regulatory structures, and economic systems. Multinational corporations (MNCs) of all sizes and types continue to attempt to manage the challenge of setting benchmarks to predict expatriate performance in the field, as well as the concomitant challenge of re integrating expatriates into the corporate structure when the expatriate assignments end prematurely.

Estimates of the annual financial cost of expatriation and premature repatriation fall between $2 billion and $2.5 billion (Kotabe and Helsen 1998, 224). One decade prior to those figures, authors had reported the cost per expatriate assignment to be between
$55,000 and $80,000 (Black and Mendenhall 1989, 513), before considering the replacement cost in the form of the assignment of a new parent country national (PCN) to make up for the loss; this equates to between $102,000 and $149,000 in the opening months of 2011. However, other estimates rise steeply from that starting point, such as that between $300,000 and $1 million in direct costs alone for the average expatriate assignment (Black et al. 1999), or possibly double these amounts after including indirect costs as well. Premature repatriation occurs about 40% of the time, while employers have to shoulder the burden of ineffective expatriate assignments in 30% to 50% of cases (Black et al. 1999). Meanwhile, over half of all expatriates voluntarily leave their employers after repatriation (Black et al. 1999). The term adopted for this latter category is “brownouts” (Lanier 1979, 161).

The Demand for New Competencies in Today’s Globalization

Writing about cross-cultural diversity in top-management teams, Palmer and Varner summarized a body of prior literature showing that diverse teams, equipped with clear goals and a strong mission, are capable of greater productivity than homogeneous ones (Palmer and Varner 2007, 2). They explained that a company’s operational practices reside in the dynamic system of interrelationships that organizational leaders enact every day (Palmer and Varner 2007, 4). This “tacit knowledge” provides top decision-makers a broad-based mental framework for understanding the effects and relevance of their decisions, as long as they actively participate in interactive decision-making and possess the higher-order competencies necessary for this level of thinking (Palmer and Varner 2007, 4). Indeed, top managers generally do enjoy a broader base of international
experience than their lower-level counterparts (Palmer and Varner 2007, 8). This is true in both the United States and Europe; however (or perhaps naturally), the cross-national character of a top-management team in Europe will be stronger than in the United States, given their relative differences geopolitical diversity (Palmer and Varner 2007, 9).

Nancy Adler outlined three major societal shifts that comprise the essential challenges of business in the 21st century (Adler 1997, 21). While they are a familiar triad, namely, economic, political, and cultural forces, their nature in the newly globalized world of business is different from what it was historically. They had once been distinct only in the minds of business decision-makers, while political decision-makers could enjoy the fact that the boundaries of the nation-state contained each country’s version of each of these three domains sufficiently well to enable state control over the same (Adler 1997, 22). In the modern era of globalization, however, only “political space” persists within separate geopolitical entities, while “economic space” and “cultural space” have transcended national boundaries (Adler 1997, 22).

Approaching the question of the new globalization from a unique perspective growing out of the model of a product’s life cycle, Ghadar and Adler cited the relatively high degree of transnational integration of business activities that characterizes the world today as it affects international human-resource management (HRM) practices (Ghadar and Adler 1989, 40). They noted that the first phase of the traditional product life cycle consists of an absence of any significant competition, due to the protection of national boundaries as limits on the market; in this phase there is little need for cross-national
expertise. Thus, firms in that phase of their product life cycle have little need to groom expatriate managers for overseas assignments (Ghadar and Adler 1989, 40).

The second phase consists of strong centrifugal growth as companies expand internationally in search of new markets. Although there is typically now competition at home, the foreign markets only have economic substitutes, but no direct competitors (Ghadar and Adler 1989, 41). Here, the extent of international expertise needed by companies is that which is necessary to engage the new markets. Four categories of expatriates normally emerge in this phase, namely, product representatives, technical professionals, line managers, and finance managers. During this phase, the most important consideration is that the new subsidiaries remain loyal to the parent country’s way of operating; again, the need for strongly capable international expertise has yet to be realized.

Finally, the third phase consists of global competition, as rival companies have adopted versions of the first mover’s product and proceeded to market it as an alternative. At this point, the need for sharp international expertise is at its height. Depending on the nature of the product (universally applicable, in need of intimate local adaptation, or somewhere in between), the company may have to recruit and develop the very best cross-national talent to maintain an acceptable level of competitiveness. In this phase, companies now select their very best talent and start to integrate international experience into their governance structures explicitly. This may include recruiting foreign talent from certain markets into which the company intends to penetrate (Ghadar and Adler 1989, 41; Jelinek and Adler 1988, 12).
Interestingly, what Ghadar and Adler seek to point out is that it is the second phase that normally requires what most companies today appreciate as necessary skills in cultural sensitivity, openness to diversity, and linguistic expertise (Ghadar and Adler 1989, 41). In the third phase, an undifferentiated global identity optimally emerges, such that the top management team possesses a globally cosmopolitan outlook, rather than merely people who may only have become adept at working within certain cultures.

Given that this third produce life cycle phase is what company leaders should expect to see predominate in the 21st century, the prevailing view of what is necessary for success in the competitive global market must also change. Thus, the wheat is separated from the chaff: some companies prefer to standardize ethnocentrically, rather than become a “trans-global” company with “trans-global” managers (Ghadar and Adler 1989, 42).

Insofar as modern global companies often emerge as webs of relationships among home offices, research facilities, subsidiaries, and strategic alliances, the global manager must be able to move across national and cultural boundaries in a sophisticated way that is rarely manifest in reality and that will require extensive training at all phases of the expatriate career cycle. As Jelinek and Adler put it: “Global management necessitates working in numerous countries at once” (Jelinek and Adler 1988, 12). The modern global company will also naturally feature many more foreign employees than the ethnocentric company of the past centuries did.

Another view of the novel needs of the 21st-century firm is Lichtenstein and Mendenhall’s application of the new sciences (systems, complexity, and chaos theory) to international careers (Lichtenstein and Mendenhall 2002, 40-55). Referring specifically
to “non-linearity” in reference to the recognition that dynamic international careers in the postmodern era will entail many professional endeavors on an individual level that result in only minute effects, while others result in monumental outcomes, while all such endeavors may nevertheless be necessary to a company’s (or career’s) proper trajectory. The authors highlighted their concept of “response-ability,” in reference to the particular combination of flexibility and responsiveness that will be necessary to 21st-century careers in the international world of business (Lichtenstein and Mendenhall. 2002, 35). The authors noted that response-ability is unattainable without a prior condition of personal, technical competence underlying their cultural training.

*Globalization Assumptions*

Related to the new spectacles that most writers seek to promote regarding the 21st century’s globalization demands, Pudelko and Mendenhall returned to Japan after what seems to be decades of mythologizing, to find that Japanese executives no longer think the way many Americans continue to expect. For example, US managers continue to see Japanese business as falling safely within the active protections of the Japanese government, and in many other ways operating under conditions of highly protected economic expectations in the form of easy access to bank loans, closed industrial blocs (*keiretsu*), and lack of transparency (Pudelko and Mendenhall 2007, 275). In contrast to these preconceptions, which admittedly originated decades ago when Japan became famous for many of these attributes in the way that it conducts business, the business climate in Japan by 2007 (before the current global recession) included a serious level of concern for finding better ways to compete. Specifically, Japanese business leaders
already saw themselves in a “crisis,” which demands serious rethinking of many of the assumptions by which the Japanese economy had prospered through the prior decades. Today’s Japanese business executives believe that they must modify their human-resource (HR) policies as well, including reducing the importance of seniority in compensation and promotion decisions (Pudelko and Mendenhall 2007, 276-278).

HR Issues

Mendenhall specifically emphasized the impact of 21st-century globalization on the traditional functions of a company’s Human Resources Department (Mendenhall et al. 2003). They observed that company executives are often eager to position their interests around the world in wonderfully radical, aggressive ways, but too often they actually do so without ensuring that they have the managerial, technical, and cultural talent necessary to sustain their bold moves (Mendenhall et al. 2003, 261). Encapsulating their thesis into three primary imperatives, the first imperative specifies that company missions must begin actively to incorporate international-HR, including expatriate, interests into their wording. No longer can modern companies treat the HR function in general, and the international-HR functions in particular, as ancillary to the core business. The second imperative is to consciously involve senior leaders into the process of addressing core HR issues as they craft organizational strategy. This is necessary for supporting the integrating effort itself, as the senior leadership’s visibility is always necessary whenever organizational culture becomes an issue, and needs to be changed. The third imperative is to enable top operating managers to give priority to HR interests
in their implementation of organizational strategies. This last imperative, of course, depends on the first two to work (Mendenhall et al. 2003, 264).

Anticipating Mendenhall, Tung observed almost two decades earlier that modern global companies must pay attention to specific HR concerns, which would fit well into Mendenhall et al.’s framework (Tung 1984, 130). These include elevating HR planning to operate on a par with strategic planning (a fact now recognized by most large organizations) and attending to much more careful selection and training of expatriates (i.e., two distinct phases of expatriate management). Managing expatriate assignments must also incorporate serious considerations of family issues (as most expatriate assignments include some provisions for family members) and setting the duration of the overseas assignment to a standard that will enable strong acculturation without disrupting family continuity (e.g., children in school).

**Statement and Nature of the Problem of Expatriate Integration**

This thesis seeks to identify the most important factors that affect the success rate of an expatriate abroad. Answering this question will provide evidence of how to identify and subsequently train employees properly to achieve optimal performance in their expatriate assignments. A key assumption herein is that the expatriate failure rate is an important measure of the effectiveness of expatriation management itself. The available evidence seems to demonstrate that the direct and indirect costs of expatriate failure are high. Specifically, when employers must recall expatriates from their assignments and repatriate them, this decision represents a sacrifice of the organizational resources originally invested in the expatriate assignment.
Direct costs include salary, the time and personnel invested into training, and expenses associated with travel and relocation. Indirect costs that result from early repatriation may additionally come in the form of loss of respect, good will, and reputation from the perspective of the affected business contacts overseas. The frequent inclusion of immediate family members in the expatriate experience further raises the cost of expatriate failure in long-term assignments, due to the family members’ difficulties in their own process of integration and the pressure it places on the expatriate.

Employers often find themselves under too many constraints to enable them to diligently select their expatriates. Expatriate selection thus often occurs ad hoc, to fill newly posted or even completely unexpected vacancies on foreign soil. Likewise, top management often makes the final placement decisions, without the benefit of advice from seasoned intercultural trainers or human-resource managers familiar with the consequences of expatriate failure. This often leads to selection of the most technically competent candidates for managerial positions, even though the technical qualities that have allowed those candidates to succeed domestically may very well fail to translate adequately to the transnational context. While this holds true generally, it may be especially important in the developing world, with emerging economies; considering the growing important of competitive performance the developing world, this thesis will attempt to elaborate a more comprehensive set of criteria for use in the expatriate selection and training process in said economies.

The principal hypothesis in this thesis is that the selection, integration, and repatriation of potential expatriates in emerging economies merits a more conscientious
formula, to avoid the failures typically associated with them. A secondary hypothesis, derived from the first, is that the currently common practice of selection is fundamentally deficient and therefore offers many opportunities for potential improvement. By no means does this imply that any sort of perfection is attainable in the expatriate experience. Certainly, people of different cultural, professional, and intellectual backgrounds will always face unexpected challenges in working with one another, and expatriates in particular will find themselves usually at the center of the cross-purposes of parent and host country priorities. Nevertheless, when one considers the high rates of expatriate failure, one must anticipate that ample improvements are indeed possible.

**Methodology**

The investigatory method adopted herein will be qualitative and integrative in nature. It is qualitative in that it relies on syllogistic logic to draw out its major conclusions. It is integrative in that it seeks to consider the empirical contributions of a range of literature that has evolved in the growing field of expatriate studies, along with conceptual contributions from ancillary literature, with the ultimate goal of elaborating a workable selection and training model for practical use.

The process of investigation in this thesis will occur in several phases. The first phase will attempt to circumscribe the common characteristics of the US expatriate employee, taking relevant traits, work styles, and traditions into account. It is axiomatic that one can only explain types of people within the context of the society from which they originate. Accordingly, the attempt at circumscription will begin with a discussion of how US society has developed, starting with its earliest origins, and including an
exploration of the development of an American identity distinct from its European source. This discussion will follow through the growth in prominence of US political and economic power in modern times. A description of the specific challenges faced by US expatriates while on assignment will follow. This description will observe the three primary challenges that US expatriates tend to face, given their particular identity and idiosyncrasies, namely, those related to the work itself, those related to their parent country’s society, and those related to both verbal and nonverbal communication.

The next phase will involve delineating the features common to emerging economies, particularly with regard to the difficulties that they pose for expatriate employees of US origin. The reference to emerging economies covers a wide range of national configurations, from those that benefit from a relatively long history of industrialization but are new to the liberalized economic structure demanded by the modern era of globalization; to pastoral economies that have experienced only the most meager development from the perspective of the industrialized nations. Some nations combine elements of both extremes, such as Germany, in which former East Germany still lags significantly behind its West German analog two decades after reunification. Similarly, in China there is a strong division between the industrialized coastal areas and vast stretches of subsistence living across the interior of the country. Nevertheless, as developed further in the literature review, the contrast in institutional frameworks between developed and developing economies as a whole is sufficiently distinct to categorize them accordingly and analyze their differences methodically based on their respective categories. Specifically, the latter category often features the presence of
strong governmental stakeholders, deficient regulatory agencies, and weak financial mechanisms, in addition to underdeveloped capital infrastructures to promote the development of an experienced labor market, and cultural habits that weaken the utility of policies that would seek necessary delegation or decentralization of key economic decisions.

The third phase will consist of an investigation into the issues that face expatriates on the matter of selection, training, transition, and integration. This is likely to constitute the most substantial phase of the analytical portion of the thesis, as the issues discussed will include the ethical debates faced by US expatriates in different cultures and the methods available to these expatriates to confront the resulting pressures with success. Training in both culture and language, focusing not only on the ability to communicate in a business setting, but the willingness to use the local language as often as possible, is critical, albeit costly. Expatriates must be willing to exercise their training in language in particular without succumbing to overwhelming fear of committing inevitable errors or embarrassing oneself for want of adequate vocabulary, optimal phraseology, or clarity of accent. Indeed, while expatriates tend to have a keen desire to understand, relate to, and form relations with host-country nationals, they also often lead very busy lives and are able to afford to invest less time and effort in mastering the new language. This phase of the study will also approach methods to deal with stress, human-resource support for families, the relevance of developing an adequate perceptual orientation, and setting appropriate compensation levels.
The last phase will seek to highlight the importance of establishing a repatriation program to allow expatriate employees to return to a viable career path. It is a valid assumption that expatriate employees will return after an assignment abroad, usually along with their families. Thus, it is important for employers to enable expatriates to return to viable career paths. While one hopes that this eventuality follows successful assignments, they are just as likely to follow unsuccessful experiences; this difference should arguably have only moderate influence on the need to provide for effective career continuity. To be sure, the question of whether a failed expatriate experience can be attributed the expatriate’s choice to return prematurely, or to his or her simple inability to do the job well may be a valid consideration for career mobility. However, in too many cases the causes of the failure are less attributable to the expatriate than to a larger sequence of events that unfolded incorrectly; consequently, employers would do well to minimize the degree to which they consider the expatriate track record when assessing the expatriate’s future prospects with the company.

An international posting can be risky for an ambitious employee, who may spend months or years away from corporate headquarters, isolated from the decision-making process. Even under a condition of a successful deployment, this sequence of events can result in a lack of opportunities for advancement. When one considers the specialized set of competencies demanded of a successful expatriate, one must recognize the advantage that the parent company has in the form of retaining such high-caliber employees. The success of the company’s decisions on that front will go a long way toward assuring
potential expatriates in the future that they will also be able to enjoy productive careers upon their return.
CHAPTER 2

LITERATURE REVIEW

A common feature of the current literature is a focus on managerial employees in a review of the issues that surround the question of expatriate performance. This focus in the literature reflects the assumption that MNC efforts in training and development have tended to emphasize a small cadre of international managers, drawn mainly from the MNC’s home country. Insofar as this emphasis reflects the current state of global business, it makes the identification of the characteristics of such an elite group difficult to establish with certainty. For example, the education, work experience, and interests of a Japanese investment banker who works in the world’s centers of global finance are predictably different from those of an American supply chain manager who works for the Body Shop as part of a procurement team in francophone West Africa.

Naturally, whatever the technical competencies are that either professional has acquired in their respective parent countries, they may fail to transfer completely to the transnational environment. Consequently, MNCs are acknowledging with increasing frequency the importance of training across all categories of expatriate employees, both in the host country and in the parent country. This training extends across a wide range of core competencies, from basic language training to traits that can accommodate greater intercultural understanding. Meanwhile, it is also important to provide similarly configured training resources for family members of expatriate employees, whose satisfaction is of considerable value as a key contributing factor to the success of an expatriate’s term abroad.
Definition of Expatriate

Defining the expatriate employee might seem axiomatic at first view, but the heterogeneity calls for some formality in pinning down common characteristics, so as to avoid misinterpretation. Combining simplicity with precision perhaps better than any other author, Adler defined an expatriate as “an employee who has been sent to a foreign country in a professional or managerial capacity” (Adler 1984, 79). Meanwhile, Mendenhall and Wiley have striven for a different focus for the same objective, defining an expatriate as “someone who leaves the country of one’s birth or official residence and travels to another country to take up residence there” (Mendenhall and Wiley 1994, 606). While the latter definition extends the meaning of the term beyond that of an employee for a particular company, the two definitions taken together seem to provide enough meaning for comprehensibility. Nevertheless, the reference to one’s employment is important. The reason that the expatriate represents such an interesting HR phenomenon is that the cross-national nature of the employment relationship that results from it is enormously complex. Expatriates continue to be necessary in the 21st century (arguably more than ever before), but the urgency of their success to meet today’s globally competitive landscape has raised this complexity to unprecedented levels.

Engle and Mendenhall described expatriates as occupying a variety of roles, all of which were of a key strategic nature. In most references, the two broadest categories are those of the technical professional and the manager, but Engle and Mendenhall placed a slightly different emphasis on the question of categories; starting their typology with “operating-level entrepreneurs,” whose job is to seek out new opportunities in the
overseas market or supply network (Engle and Mendenhall 2004, 616). This category actually corresponds to that of the technical professional to which other sources refer, but in this case, the authors insisted on endowing the definition with the creative, exploratory connotation that they believed to fit optimal practice better. A second type of managerial expatriate is the “senior-level developer,” who serves as a supporter and champion of new ideas, bringing them into the corporate structure when deemed meritorious, to keep good ideas (i.e., those that generally emerge from the work of operating-level entrepreneurs) from escaping the rapid recognition and implementation that they merit. Arguably, much of the literature overlooks this role, which bridges the decision-making gap between the first category and the third one, namely, that of the “top-level leader.” This last category consists of senior company decision-makers, who represent (and indeed personify) the company, while wielding the necessary power to implement productive ideas when they arise (Engle and Mendenhall 2004, 617-625). Together, this trio fits US business interests perfectly. Engle and Mendenhall’s typology provides a lucid, practical interpretation of the expatriate imperative, which all companies can implement with maximal impact and minimal confusion.

In conjunction with this recognition of the need for stronger visibility and prominence of expatriate needs for the new century, Adler has also pointed out that the new century raises the need to consider women for high-profile expatriate positions (Adler 1984, 89). She indicated that in the 1970s, with few exceptions, virtually all expatriate managers were men. Moreover, in those few cases in which they were indeed women, those assignments consisted of such short timeframes that they barely counted as
constituting a valid deployment of expertise. Adler had previously found that women enjoyed the best prospects for expatriate assignments if they happened to work in large corporations with strong extensions of international presence (Adler 1981, 341-356). All the way through the 1990s, a common misconception among top managers in both the US and Canada was that women would face greater obstacles than would men in the same overseas positions. This was either because of the highly-demanding routine that they entailed, or because of expected sources of cultural counter-pressure in those countries where gender-equality lagged behind that of the United States. Adler found that, although half of all companies in the US and a had a practice of fielding expatriates, only about one-fourth of all US companies – and only a slim 9% of all Canadian companies – had sent women (Adler 1981, 350-356).

**Defining Expatriate Failure**

An important point of disagreement among some sources of expertise on the expatriate experience arises over the definition of expatriate failure. Most experts understand this term to refer to premature return. However, this suggested measure of expatriate failure is arguably myopic, as it implies that the expatriate assignment would have been successful if the expatriate had remained abroad for the entirety of the planned term, with such fortitude considered independently of actual performance on the job (Sappinen 1993, 5). This is to be expected, as defining expatriate failure in the form of premature repatriation constitutes an objective, easily reportable measure of success compared to the relatively subjective nature of rating job performance. A complete definition of expatriate failure must also include measures of performance for those
expatriates that have indeed stayed abroad for the full term of the assignment. Aside from obvious cases of performing below standard on international assignments, such measure should include the experience of repatriation difficulties as well, in addition to the question of whether the parent company has recognized the value of the competencies developed by the expatriate. While these factors are important in the characterization of success in expatriate programs, the literature too often neglects them in their analyses of the rate, root causes, and consequences of expatriate failure.

*Expatriate Adjustment*

Expatriates that find themselves satisfied with their host country situation will show stronger commitment to the operation and hence a greater likelihood of success in the expatriate assignment itself (Jun, Gentry, and Hyun 2001, 369). This is one of several stages at which the expatriate’s condition as defined by expectations, preparation, and intercultural skill set will determine success or failure.

To assist in expatriate adjustment, Mendenhall and Oddou referred to a technique known as “reinforcement substitution” (Mendenhall and Oddou 1985, 40). This refers to one’s first identifying what one enjoys as a matter of personal identity, particularly in one’s home country, and is acknowledged as a practical technique for expatriate adjustment. Reinforcement substitution simply amounts to replacing the cultural objects of one’s greatest personal affinity with the analogous objects of the target culture. For example, aficionados of baseball or football in the United States may learn the rules of rugby in England, France, or South Africa and may eventually learn to love the game. This provides a source of fascination for the expatriate in a phenomenon that HCNs see
as part of their own identity. In turn, this equips the expatriate with a few more cultural reference points that facilitate communication from an affective point of departure rather than merely a cognitive one. Other analogs would naturally involve the other cultural institutions that all nations have in common, including cuisine (Mumford 1975, 13), music, art, literature, poetry, or dancing. Interestingly, the examples that Mendenhall and Oddou provided are all artistic in nature, except for the aforementioned reference to sports. This reiterates the notion that the point of nature should affective and personable for the expatriate; we may not all be fans of sports, but few can say that have absolutely no interests outside of their life at the office. As the authors explained it, expatriates who can “find parallel substitutes for [their] interests and activities in the new culture [are] more likely to be successful in adjusting to that new culture” (Mendenhall and Oddou 1985, 42-7).

Mendenhall and Oddou also discussed the importance of psychological health for expatriates. The expatriate’s demands transcend merely the stress associated with acclimating to a new place, separated from familiar surroundings and friends; the necessity to perform effectively in a novel culture provokes far greater anxiety than most expatriates can possibly understand before making the beginning of their assignment. The reason is that the expatriate must both perform a complex, highly visible job with at least as much effectiveness as in the home office, while simultaneously managing to communicate and infer meaning from a complex interaction of cultural rules distinct from those at home (Mendenhall and Oddou 1985, 40-47).
Without good indications about what to expect in terms of how one feels in the new environment, the expatriate’s symptoms will simply become more acute when the inevitable cycles of psychological adjustment set in. In addition to this, the authors also noted that technical competence remains important (Mendenhall and Oddou 1985, 41). One theme that the literature seems to ignore is whether one’s technical competence was truly adequate as assessed during the selection process. Many people seem to survive in management by managing their interpersonal impressions very well, rather than creating the amount of value for their company that observers ascribe to them (Giacalone 1989; Giacalone and Rosenfeld 1989); if all human organizations were flawless meritocracies, there would be no advantage to cultivating interpersonal skills. Obviously, if a significant percentage of all expatriates were actually in this category, the impact that it would have on their success rates would significant. Simply put, expatriate assignments are distinct from many other types of jobs in a company in that they require real performance, rather than the mere semblance thereof.

The other two dimensions of competence discussed by Mendenhall and Oddou represent an orientation toward others, as opposed to oneself (Mendenhall and Oddou 1985, 41). This is construable as extraversion, but the expectation is that any expatriate – whether naturally introverted or extraverted – is capable of developing this capacity. Mendenhall and Oddou noted that the success of expatriate adjustment will be visible in the relative flexibility of the expatriates’ judgments about the logic or intentions of people in the culture of interest. Expatriates that experience a healthy level of psychological adjustment are thus more apt to revise their impressions over time as well;
they will also often characteristically pursue new information to help them do so.
(Mendenhall and Oddou 1985, 43)

Mendenhall and Oddou also discussed the challenge of encountering monumentalism, using the terminology of “cultural toughness” (Mendenhall and Oddou 1985, 43). This refers to a characteristic of a particular culture, rather than to something that an expatriate must either develop or overcome (depending on one’s point of view). On this measure, the later work of Minkov (Minkov 2007, 210-247), Neculăesei and Tătărușanu (Neculăesei and Tătărușanu 2008, 198-204), and Hofstede et al. (Hofstede et al. 2008, 2-15) provide substantive discussion of this cultural dimension within the framework of Hofstede’s quantifiable dimensions of national culture (Hofstede 1980; Hofstede 2001). Several national groups thus pose special problems for expatriates who tried to adapt (Torbiörn 1982, 162). These national groups seem so far to correspond to the Arabo-Islamic and Sino-Confucian civilizations, along with India, Japan, Liberia, and parts of East Africa. As this thesis will later reintroduce, the reference to civilizations follows the typology of Voss, Murphy, and Pederson (2010), which builds from Hofstede (Hofstede 1980; 2001), Toynbee (Toynbee 1946, 1-617), and Huntington (Huntington 1993; 1996).

Among various groups represented in Hawaiian society, including people of Samoan, Tongan, or Maori descent, in addition to Japanese, Chinese, or European-American, one group, namely the Samoan, had more difficult adapting to Hawaiian culture than did any other. The observable differences between the Samoan conception of the right way to be (Fa’a Samoa) and that of life in modern Hawaii are very great, and
this fact seems to have contributed to the relatively high level monumentalism of the
Samoan culture in the study (Graham 1983, 89-93).

Black and Mendenhall reexamined an old social-adjustment model, which depicts
the trend of cultural adjustment as a U-shape (Black and Mendenhall 1991, 227). This
model, originally from Lysgaard (Lysgaard 1955, 45-51), is so intuitively plausible that it
has mostly defied objective analysis since its origination. An analogous model in
economics (Kuznetz 1955, 1-28) has enjoyed a similarly benign history of exactly the
same self-evident length of time. In the case of cultural adjustment, the model depicts a
“honeymoon” (about 2 months), followed by “culture shock” (through about 9 months),
then cultural “adjustment” (through about 24 months), and finally cultural “mastery”
(through about 36 months). Black and Mendenhall expected that a type of cross-cultural
training (CCT) based on social-learning theory would soften the extremes of this cycle,
while leading more rapidly to mastery (Black and Mendenhall 1991, 225-247): Social-
learning theory (SLT) itself is a very old concept in pedagogical studies (Payne 1909,
264), which thence apparently evolved in the field of anthropology (Treudley 1950, 290-
297). After that, it entered the psychological literature with Bandura (Bandura 1968, 293-
344), whence it became generally available to the business literature. As the theory
applies to cultural adjustment for Black and Mendenhall, it takes advantage of Bandura’s
specification of “anticipatory control,” which the authors explained as meaning that
people can decide in advance “how they will respond in various future situations” (Black
and Mendenhall 1991, 233). This singular observation gives the authors their connection
to the old theory, which in turn provided them a basis for assembling the essential
protocols of a complete pre-departure training program, which they expected to improve the adjustment challenge.

Mendenhall and Wiley built further upon Black and Mendenhall’s general approach to cross-cultural adjustment by discussing the choices of coping strategy available to the expatriate. Recalling that Black and Mendenhall had specified that the learner may choose what stimuli on which to focus (Black and Mendenhall 1991, 233), Mendenhall and Wiley subsequently considered impression management (Giacalone 1989, 52-55) as a strategy by which to do exactly this (Mendenhall and Wiley 1994, 605-620). The objective, they wrote, is to “reduce the emotional pain of psychological uncertainty” (Mendenhall and Wiley 1994, 608-612). They explained that impression management, viewed as a strategy, could help attune HCN response patterns to minimize uncertainty. To understand this, one must first imagine the expatriate’s natural behavior. Because his culture has taught him a broad range of very subtle nonverbal language, he will naturally use this language in his interactions with HCNs without the self-awareness that he is actually doing so. The interaction of his verbal and nonverbal language composes a complex message that HCNs, in turn, decode according to their own culture’s protocols. If there is any uncertainty in this response, the HCNs will then transmit that uncertainty back to the expatriate, who will naturally react in a heightened state of confusion. This communication cycle will repeat itself over several loops, resulting in any number of possible consequences: embarrassment, a false sense of confidence later trumped by an encounter with a missing cue from the prior conversation, or even anger. To forestall this, Mendenhall and Wiley suggested engaging in a training exercise that
would raise the expatriate’s awareness of how he may appear to HCNs. To do this correctly, the trainers would have to introduce to the expatriate a variety of verbal and especially nonverbal cues manifested by HCNs. In-depth discussions of the meaning or appropriateness of specific cues (or their avoidance) would follow. The trainers should also try to show the expatriate his own nature behaviors, such as by reviewing a videotape of his actions during portions of the training sessions. Encouraging self-awareness is an important facet of a complete impression management training program.

As Mendenhall and Wiley explained, through proper impression management, expatriates can “augment their power and influence over host nationals by shaping host nationals’ attributions of their dispositions [and] construct an appropriate and acceptable public identity” (Mendenhall and Wiley 1994, 605-620).

Meanwhile, Oddou proposed another idea for expatriate training prior to departure, by way of a classroom simulation. His priority was to take advantage of available resources as much as possible to prepare expatriates optimally, without needing to contemplate an excessive expenditure; Oddou called his simulation “Expat in the Marketplace” (Oddou 2005, 758-768). This simulation has an easier goal than that of impression management training, but it seems to afford great power in its effectiveness. On a psychological level, the goal is to increase the expatriate’s confidence in interacting with people engaged in ordinary behavior in the target culture. The effect of that increase in confidence may be a stronger affinity for life in the new culture and consequently fewer confusing encounters, hence mollification of “culture shock.” Oddou noted that errors in social encounters can exacerbate culture shock, which in turn can result in “a
sense of loneliness, ineptitude, and eventually even dysfunctional behavior” (Oddou 2005, 759).

Sappinen studied expatriate adjustment as well, but this time it was by way of in-depth case analysis (Sappinen 1993, 6). Sappinen’s goal was to assess the U-curve hypothesis of cultural adjustment qualitatively through interviews with expatriates. The result was a view of the cultural-adjustment pattern that conformed more to the shape of a repeating wave. Thus, while it is true that expatriates will first experience euphoria in their new domain of activity overseas, followed by a semblance of depression and perhaps a bit of an identity crisis, the follow-on experience is something other than simply adjustment and mastery. Instead, it seems that it is more in line with a return to a state of euphoria, followed by another semblance of depression, and so forth. Over these repeating cycles, the extremes may soften, although it is hard to tell in qualitative research such as this; other factors that ordinarily produce their own cycles of delight and dysphoria may interfere with the observations. Nevertheless, the adjustment process seems to be one that characteristically sends the individual out of equilibrium in one direction, followed by an exaggerated restoration of equilibrium in the other direction. It is therefore logical that the natural sequence of events should, over time, feature diminished cyclical extremes. Sappinen referred to this wave pattern as the process of “total expatriate adjustment” (Sappinen 1993, 7).

Adler’s interviews of female expatriate managers revealed some differences in adjustment necessitated by gender in most foreign locations. For example, when a female expatriate manager accompanies a male expatriate from the same country, foreign
counterparts typically begin addressing the male before addressing the female (Adler 1987, 186). These experiences led to the development of some important compensating tactics, mainly the form of employing senior-level officers in establishing the necessary introductions in advance of female expatriate managers’ arrival. Adler found that conscientious preparation of this type leads smoothly to getting past the initial confusion, and moving into productive working relationships. By contrast, those instances in which the home office neglects this preparatory work often result in the development and reinforcement of harmful attitudes regarding the expatriate manager’s credibility and true level of authority within the company, which “undermined the women’s potential effectiveness” (Adler 1987, 186). Surprisingly, the most difficult people from whom to earn respect in Asia were other expatriates from North America and Europe, rather than the Asians themselves.

**Expatriate Experiences**

Most of the literature on expatriate experiences refers to the role of women as expatriates. This is mainly because Adler is such a prolific writer, and her most common theme is that of women as expatriates (Adler 1987, 182). Of interest in Adler’s research is the number of misconceptions about the prospect of employing women as expatriates that have historically prevailed in business, compared to the reality of those women who have actually experienced the role. Adler noted that in most cases the women who were in the role of expatriate decision-makers found that their gender afforded them more advantages than disadvantages in carrying out their roles effectively; visibility itself is important (Adler 1987, 182). As it turns out, when the representative of a North
American company is male, he is less likely to stand out or elicit curiosity; his counterparts in the foreign location rarely think it interesting to find out more about him, but for women, this is completely the opposite. More importantly, as an expatriate, the ability to draw the attention of other parties is extremely valuable, because this is at the core of the value-added benefit afforded by the expatriate. Adler cited three specific advantages as being “high visibility,” “accessibility,” and “memorability” (Adler 1987, 182). Adler’s later work (Adler 1992; 1994; 1997; 2002) has continued to emphasize the benefit that the employment of women in expatriate positions affords those organizations that follow this recommendation.

Some of the additional perquisites that Adler cited regarding the experience of women in expatriate roles include – perhaps surprisingly to American readers – “higher status” in Asia (Adler 1987, 183). Significantly, Adler reported that Asian executives express no confusion over the fact that a woman may be representing a US or Canadian firm; some of the expatriates whom Adler interviewed inferred from their experience that perhaps part of the reason for their acceptability was the general expectation that no North American firm would assign a woman to a managerial position if she fell short of having superb qualifications (Adler 1987, 183). The sexism typically associated with Asian business cultures gives way to respect for the practical considerations of international business exchange.

Bird et al.’s open-discussion format features some important commentary by Mark Mendenhall, arguably the most prolific writer in the expatriate literature following Nancy Adler. In this discussion, Mendenhall expressed some ideas about the expectations
that HCNs have of expatriates. This is relevant also to Adler’s observations, because it explains how a woman might benefit from her gender in foreign settings in which she has authority, without suffering the same kinds of debasing expectations that are possibly normal of other women in the target culture. Specifically, Mendenhall observed that the expectations that HCNs have of expatriates are in many important ways different from those of their fellow participants in the host nation’s culture (Bird et al. 1999, 157). It can be admittedly very difficult to separate out those circumstances in which one should try hard to do as the local culture does and those situations in which it may be acceptable to express some elements of one’s parent culture. However, the surprising fact is that it is unnecessary for the expatriate to worry about how to be as culturally similar to HCNs. According to Mendenhall, cultural conformity is important to a degree, but one gradually grows accustomed to noticing the difference over time. In Mendenhall’s conception of cultural training, one of the goals is to teach executives how to infer a semblance of logic in everything that one sees occur behaviorally in the target culture with which they interact.

Understanding how to make sense out of otherwise confusing examples of behavior makes other behavior easier to understand as well (Bird et al. 1999, 157). Tools that are useful in this exercise include Hofstede’s cultural dimensions (Hofstede 1980; Hofstede 2001). For example, when one observes the widely known rule that one must never let the bottom of one’s shoe face anyone else in a seated group, it is possible to consider how power distance might make sense out of that behavior. The observer can simply review each cultural dimension, one by one, and attempt to create in his mind a
rationale that will make the rule of the foot make sense. After that exercise, the next strange rule that follows is more likely to make immediate sense. Moreover, the more one does this, the more likely one is to consider taking certain actions along the way that emerge from one’s own cultural propensities – but immediately retract from initiating them – given the affective impression that the thought of the proposed action starts to make. Lastly, of course, by cognizing cultural behaviors against cultural dimensions in this way, the expatriate automatically becomes more sensitive to the nuances of behavior that he sees occur around him, thereby sharpening his cultural awareness.

Part of the Bird et al.’s open discussion produced a proposition by researcher Joyce Osland, who proposed adapting a model for language training to the purposes of cultural training. In the form of the language training model, Osland referred to this as “language acquisition made practical;” one might presume that these words were chosen to produce the easily-memorable LAMP as an acronym (Bird et al. 1999, 159). The process consists of the learner’s deciding each day what to learn. The teacher provides the linguistic tools, and then the learner proceeds to find native speakers of the language through whom to test out the phraseology. The learner subsequently returns to the teacher to relate how the process went; such as whether there were any misunderstandings due to faulty pronunciation, and whether the learner was able to follow and respond accordingly to the subsequent dialogue in the native language. Applied to cultural training (presumably under the acronym CAMP), the process would be the same; involving the learner’s choice of a culturally relevant (i.e., interpersonal) activity, learning the optimal manner in which to enact it, and then proceeding to test it on people from the referenced
culture, followed by feedback. The tenor of the discussion in which Osland described this suggests that this would be an intriguing practice to put to a test. The mechanism of its effectiveness is in the learner’s clearly cognizing rules that the target culture would carry unconsciously; due to the variety of nuance in culturally informed behavior, even the instructor would have to think through each proposition in order to consciously raise the assumptions that would truly underlie it, but rarely ever come to consciousness on their own.

**Reasons for Expatriate Failure**

Stroh et al. emphasized the importance of the spouse’s participation in expatriate training at all phases of the expatriate’s preparation, operation, and return (Stroh et al. 2005, 106). If the spouse fails to adjust, the expatriate may fail to do his job. Stroh et al. included domestic partners in this category as well. Culturally, American couples defer to one another’s needs a great deal in their decision-making; the expectation that spouses or domestic partners will often sway the expatriate’s decision over whether to stay is therefore quite logical. The authors also related some of the kinds of questions that executives pose to them around the world. Curiously, many executives have no idea that the expatriate’s spouse or family is a legitimate consideration in preparing the expatriate for the experience abroad (Stroh et al. 2005, 173). This mistaken impression exists, in fact, despite the fact that one of the most common priorities for the HR staff when it comes to expatriate preparation is setting up housing and schooling for the family, and assisting the spouse with finding a job in the new location, if need be. The authors’ response to such questions from executives about families directly targets the company’s
bottom line, and the authors proceed to run through the numbers that reflect the actual cost of a failed expatriate mission, at which point there is usually no further need for persuasion.

Stroh et al. also highlighted the fallacy of selecting expatriates based on their demonstrable technical expertise at home, under the belief that the same level of expertise will manifest itself in the new location (Stroh et al. 2005, 57). What is most difficult to perceive is, as always, just how complex is the new set of competencies, beyond the technical competencies that justifies the individual’s compensation at home. Cultural competencies in this sense include highly complex skills relating to the expatriate’s ability to maintain the needed stamina necessary for the job; as well as broader concerns of language proficiency and affective sensitivity to the target culture. The authors related a case of a technical expert in a North American firm called to Brazil to apply his technical expertise: the result was complete failure, because the Brazilian operation – even though it constituted a subsidiary of the US operation – was indecipherable for this otherwise technically competent specialist. The expatriate could never figure out whom to consult for each kind of problem, whose messages to ignore or give importance, or how to set up training opportunities for the subsidiary’s personnel while also getting them to attend the sessions as instructed (Stroh et al. 2005, 57). This example reinforces the notion that while expatriates must indeed have technical expertise that fits their normal role, but the only other valid predictor of one’s performance overseas is one’s ability to maneuver effectively through the political and social culture.
Deficiencies in expatriate selection can be attributable to the burdens placed on the MNC’s Human Resource department. Stroh et al. found that the HRM functional area of compensation consumes the majority of the HR director’s time in managing expatriate assignments (Stroh et al. 2005, 166). They explained that both foreign taxation regulations and cost-of-living calculations naturally complicate the planning process so much that it undercuts the opportunity to devote attention to thorough training, selection, and other determinants of expatriate motivation.

Premature Repatriation

Mendenhall and Oddou reported that the rate of premature repatriation was about 20% by the late 1980s (Mendenhall and Oddou 1988, 78). They also noted that the extent to which expatriates might alternatively stay in their assignments at considerable expense to their own professional effectiveness and personal happiness. The foremost reason for premature repatriation is “culture shock,” which includes “anxieties about [social] customs and [personal] security that appear when one must deal with a foreign culture” (Mendenhall and Oddou 1988, 79). The authors listed a surprisingly broad array of symptoms, including “change in sexual drives, eating binges, bouts of depression, idiosyncratic nervous habits, manifestations of anger and aggression, substance abuse, alienation from others, homesickness, insomnia or oversleeping, lack of motivation at work, and impatience with family members” (Mendenhall and Oddou 1988, 79).

Oddou explained that the risk of expatriate failure is always very high, even if the selection of expatriate employees is superb (Oddou 1991, 302). According to Oddou, there are two primary categories of expatriate failure: premature repatriation and mission
failure *vis-à-vis* the foreign entity of interest. Among American expatriates, the first type of failure is typically a consequence of an inability to adapt on the part of the expatriate himself or the expatriate’s family. The second type of failure may come in the form of “alienation” between the home office and the foreign entity of interest, “deteriorated relationships” between the home office and the foreign government at issue, or simply the expatriate employee’s professional ineffectiveness (Oddou 1991, 302).

**Expatriate Selection**

Engle et al. tried to simplify the categorization of necessary competencies for expatriates by proposing a “global competency cube” featuring three planes: namely, “functional,” “product,” and “cultural” (Engle et al. 2001, 349); each plane incorporates questions of both “depth” and “breadth.” While the cultural plane is self-explanatory, the authors left the distinction between cultural depth and cultural breadth unclear. Functional breadth addresses work design, while functional depth addresses the level of specialization that a given function affords. The authors left the distinction between product breadth and depth rather vague but emphasized the kinds of systematic differences that exist among products and services, including their varying degrees of necessary modification to fit particular national or cultural needs. They also included the relevance of the product’s location in the product life cycle. Applied to expatriate competencies, these three planes refer to three areas of understanding necessary for success. While the incorporation of both cultural and technical skills has received a good deal of attention in associated literature, Engle et al.’s methodical breakdown of three essential dimensions facilitates the expatriate selection and training processes alike.
Erbacher, D’Netto, and España enumerated the sources of expatriate success in
China as consisting of two essential categories: namely, “personal” and “situational.”
Personal factors appear to fall into cognitive, affective, and conative categories of
motivation. The “perceived career path” (cognitive) of the expatriate should align with
the expatriate experience. On the attitudinal dimension, the expatriate must have a
“personal international orientation.” On the conative dimension, there must be a
“willingness to relocate.” By comparison, situational factors mostly revolve around HR
functional areas, including “training,” “level of support,” and the “performance
management system.” Two other factors in this category are “role clarity” and “strength
of relationship between the expatriate and the firm” (Erbacher, D’Netto, and España
2006, 184).

Mendenhall, Dunbar, and Oddou addressed expatriate selection criteria mainly by
acknowledging the need for technical competence, lest all of the discussion about cultural
competencies sidetrack researchers from bearing in mind the fundamental necessity of
professional aptitude in all international interaction, while adding mainly cultural criteria
to it. Beyond this, the authors highlighted the importance of training the family members
of the expatriate in cultural competencies alongside the expatriate himself. They specified
that “international manpower planning should occur in concert with strategic planning”
and discussed the importance of managing the expatriate length of assignment with
greater consideration to the impact on family members (Mendenhall, Dunbar and Oddou
1987, 337). For the returning expatriate, Mendenhall, Dunbar, and Oddou raised the issue
of proper advanced preparation by HR, including the availability of an explicit staffing
plan to accommodate repatriation at the right time (Mendenhall, Dunbar and Oddou 1987, 341). The establishment of a support system to link the expatriate actively to the home office rounds out the authors’ recommendations for a comprehensive program for expatriate selection, training, and planning. Six months before repatriation, the authors argued, the HR staff should be locating a job position for the expatriate to fill at that time.

Mendenhall, Dunbar, and Oddou produced a three-dimensional criterion model for expatriate selection, similar to that of Erbacher, D’Netto, and España. In this case, the model consists of three orientations: namely, self, social, and perceptual. It would be accurate to construe these dimensions as incorporating a management and an awareness function, similar to Goleman’s facets of emotional intelligence; and both a self-oriented and a socially oriented function, again similar to Goleman (Goleman 1996, 1-290). As for the perceptual orientation, Mendenhall, Dunbar, and Oddou’s self-orientation elements consist mainly of methods of self-management, such as stress management. Among the perceptual elements, Mendenhall, Dunbar, and Oddou listed the necessity for tolerance for ambiguity, open-mindedness, and flexibility in judgment (Mendenhall, Dunbar, and Oddou 1987, 343).

Oddou surveyed the best practices of successful global companies in 1991; what he found was that these top global companies manage their employees’ careers with expatriate assignments as an inherent part of professional development (Oddou 1991, 302). In fact, the most successful organizations select those among their employees that they deem to have the greatest potential, and initiate a pattern of exposing them to international challenges as a way to intensify their transnational competencies. This
treatment also equips valuable talent with a very broad-based perspective on what the whole organization does, including how it operates in its various overseas ventures.

Tung’s early IHRM studies established the benchmark in reporting on the state of affairs of expatriates. Writing at the start of the 1980s, Tung observed that hardly any organizations involved in international business ever attempted to assess expatriates’ cultural competencies, even though these organizations generally recognized the importance of such competencies to success in the expatriate assignment (Tung 1982, 64). Tung found this neglect to be true both in the United States and in Japan. Overall, about one-third (32%) of US companies conducted special training for expatriate managers and professionals by the start of the 1980s; this rate was a little less than twice as high in Japan (57%), and more than twice as high in Western Europe (69%) (Tung 1982, 66).

Tung found that an ordered list of the causes of expatriate failure in US firms, in order of importance, was almost the diametric opposite of the same list for Japanese firms. Specifically, US expatriates mainly failed due to their spouses’ inability to adjust to the foreign location. For the Japanese sample, this was near the bottom of the list in terms of important reasons for expatriate failure (Tung 1982, 67-68). Meanwhile, for the Japanese sample, the most important reason given was the expatriate’s own incapacity to meet the demands of the assignment, while for the US sample this was near the bottom of the list. Other reasons given, which fell closer to the middle range of the lists of both the US and Japanese samples, included the manager’s emotional readiness (personality incompatible with the mission), insufficient technical expertise, and inadequate
motivation. For the Western European sample, meanwhile, the only consistent reason for expatriate failure was the spouse’s inability to adjust (Tung 1982, 67-68).

In 1998, Tung introduced a model to guide expatriate training and selection, citing a “growing convergence of core competencies required of domestic and international managers” in global firms across the industrialized world (Tung 1998, 27). Tung noted that all global companies must consider the different corporate cultures that exist in the various entities set up in foreign locations. Even if these entities might consist of wholly owned subsidiaries, the likelihood is great that there will be significant differences in corporate culture. Tung also recommended that organizations start using the expatriate role as a route to career development (Tung 1998, 28). This agrees with Adler and Bartholomew’s strong pronouncements along the same lines (Adler and Bartholomew 1992). Lastly, Tung insisted that expatriate managers and professionals consist of people who are “flexible, resourceful, creative and possess[ing] strong negotiating skills,” along with equally strong interpersonal competencies such as active listening, empathy, and conciliatory skills (Tung 1998, 30). Skills in foreign languages and non-verbal communication are also important. To address the expatriate’s sensitivity to cross-cultural differences, Tung recommended “sensitivity training.” Lastly, she promoted the idea of providing a realistic job preview (RJP) respecting the real demands and conditions of the expatriate role (Tung 1998, 30-33).

*Selection of Women as Expatriates*

Discussing the concept of gaijin (non-Japanese) as applicable to women, Adler observed that the common confusion surrounding the question of women’s effectiveness
in expatriate roles originates ultimately in a degree of confusion over the role of women in highly masculine cultures (Hofstede 1980, 132-158). Specifically, Adler explained that women in highly masculine cultures (e.g., Japan or Mexico) are “culture bearers” (Adler 1987, 187), and it is in precisely this role that their identity is realized. However, this identity only functions as applied to the culture’s own members, as foreign women are incapable of personifying the values of one’s own culture. Consequently, foreign women who occupy the role of expatriate managers create no misapprehension in the minds of the men of the culture at issue; these men experience no confusion at seeing a foreign woman in a managerial or technical role; they would presumably experience some level of cognitive dissonance only if the woman in such a role were from their own culture, as that would result in a conflict between two mutually incompatible roles in their intuitive appraisal (Adler 1987, 187).

Jelinek and Adler explored the history of female expatriates; they found that those women who had served in the expatriate role in the 1970s and 1980s were “pioneers,” in the vast majority of cases the first women in their respective companies to undertake that assignment (Jelinek and Adler 1988, 14). Most surprising in the findings of Jelinek and Adler is the fact that the vast majority of these women (fully 83%) had reported that they had pursued the expatriate assignments themselves, engaging in relentless “education” of their top managers until they had succeeded in persuading the key decision-makers to take the chance of making the assignment. This process of education occurred at various points in the employment cycle: in many cases, these women initially brought up the question of expatriate assignments in their employment interviews, rejecting companies
that revealed a lack of desire to afford them the desired opportunity; in most other cases, the bid was informal in nature, raised at opportune moments (Jelinek and Adler 1988, 15).

In 1994, Nancy Adler wrote an article to list common myths about women in expatriate assignments. The first myth is that women are simply reluctant to undertake expatriate assignments, due to their distinct career trajectory preferences in comparison to men. Adler discovered that the basis for this myth was that human-resource managers had come to know that expatriates’ spouses were the most common reason for expatriate assignment failure. These HR managers simply projected spousal reticence onto women in general, rather than making the distinction between female expatriates and female spouses (Adler 1994, 32).

Adler’s second reported myth consists of the common but fallacious expectation that dual-career households produce irreconcilable career tensions that are already quite difficult prior to the expatriate experience, only to become impossibly difficult afterward. HR managers had come to believe that women in dual-career households would have a more difficult time than men in making the transition overseas (Adler 1994, 23). In fact, it seems that women experience about the same level of difficulty as men on this measure, so there is no difference from this perspective between sending women and sending men overseas on extended assignment. Adler found that dual-career couples often find unexpected sources of success when both members of the couple can manage to transfer overseas. An example is the fact that supplying household help in the overseas structure is a common consideration for HR directors who prepare expatriate
compensation and support structures. Such help often goes far in smoothing the tension between the members of a dual-career household that otherwise routinely emerges in the home country (Adler 1994, 23).

Adler found that female expatriates have often experienced a distinctive advantage over their male homologues by the fact that their male counterparts in the target culture find themselves able to discuss a wider range of topics that they can with male expatriates (Adler 1987, 183). For this reason, women who wish to pursue expatriate assignments should capitalize on this natural advantage by mastering their interpersonal manner.

Adler and Bartholomew enumerate essential “transnational skills” to guide the selection and training of expatriate managers and professionals. To simplify the presentation, the authors compared their transnational competencies against those of “traditional international managers” (Adler and Bartholomew 1992, 54). This presentation bears some similarity to the distinctions made by Ghadar and Adler (Ghadar and Adler 1989), which highlights the unique characteristics of the truly global organization, compared to the merely international one. The transnational manager is essentially the global manager, in the same sense of the global (as opposed to international) firm: the traditional international manager may master the nuances of the relationship with one foreign country, treating culture as something that expatriates should learn so that they can adapt as necessary and avoid making culturally inappropriate remarks or demonstrating culturally inappropriate actions. The transnational manager, by contrast, is cognitively and experientially different from the
manager who merely demonstra\[s] the capacity to interact successfully with a particular culture; such an individual displays adaptability in a wide variety of cultures, such that changing cultural nuances becomes part of his mentality. The transnational manager also engages in “synergistic learning,” an ability to work productively across several cultural boundaries at once rather than having to address one culture at a time in order to make the necessary impression management adjustments. Synergistic learning also translates into an attribute organizational culture, so the truly transnational organization “create\[s] a culturally synergistic organizational environment,” rather than simply accommodating foreign employees in the home office (Adler and Bartholomew 1992, 54). Lastly, Adler and Bartholomew addressed the difference in how distinct types of organizations along this dimensions treat the expatriate experience. While the transnational organization adopts a practice of “transpatriation for career and organization development,” the traditional international organization simply employs expatriate managers and professionals to meet the needs of goal accomplishment overseas (Adler and Bartholomew 1992, 52-65).

**Expatriate Training**

Bird et al.’s open discussion of expatriate and cross-cultural issues featured some notable commentary on expatriate training. In it, Joyce Osland emphasized the gap between cognitive training, as in a classroom environment, and the experiential nature of the demands faced by the expatriate once in the environment (Bird et al. 1999, 152-165); her point was that classroom training is barely suitable for this purpose. As she explained, “there are tremendous identity issues with all this flexing and taking on aspects of other
cultures and questioning one’s own cultural values” (Bird et al. 1999, 158). The result is often a negative reaction and a consequent “retrenchment” into one’s own culture. She explained “value trumping” as a principle that operates in all cultures to explain the apparent paradoxes among certain cultural predispositions. Referring to the question of 2nd Amendment rights in the United States, she explained that “individualism and independence apparently trump other U.S. values like the sanctity of human life and the right to live in peace” (Bird et al. 1999, 158).

In response to this, Mark Mendenhall commented that he once believed that classroom courses on the general principles required of adjusting to new cultures in general should be sufficient for equipping expatriates with the practical conceptual tools necessary to make sense out of specific target cultures. However, it was not apparent to him that “you need in-country training and culture-specific training” (Bird et al. 1999, 158). While there are indeed higher-order conceptual principles and personality-oriented self-training exercises that can prepare people to be flexible, open-minded, and patient; each culture also comes with its own idiosyncrasies, which must take equal priority in cross-cultural training.

Kemper’s interviews of consultants in cross-national business demonstrate how widespread some of the mistaken impressions about cross-cultural training actually are (Kemper 1998, 35). His interview of John Mirocha, for example, reveals that it is a common belief that anyone with experience overseas – such as studying abroad – has already acquired the essential cross-cultural competencies necessary to succeed in global business. However, the necessary training to achieve even a moderate level of success in
the cross-cultural work is quite ample. The confusion that the expatriate experiences comes from trying to figure out the idiosyncratic way of working out of the new location; trying to accustom oneself to the complex cultural challenges; and trying to accomplish one’s ordinary work after expending one’s stock of energy on the first two demands (Kemper 1998, 36).

Shen recommended three types of training for expatriate assignments. The first two types simply follow a feed-forward and concurrent control structure and thus comprise pre-departure training and post-arrival training (Shen 2005, 657). The third type of training should address HCNs and third-country nations (TCNs) on the same dimensions. Shen noted that most companies did not provide any pre-departure training at all (Shen 2005, 659), with logically deleterious effects on the expatriate’s job performance.

Palmer and Varner emphasized the dimension of self-awareness as the most critical facet of pre-departure training (Palmer and Varner 2005, 7). They introduced a series of focal points that amount to cultural dimensions but fall outside any particular typology, in order to simplify training goals. These focal points include two that correspond to Hofstede’s cultural dimensions, namely individualism-collectives (“group [versus] individual” orientation) and power distance (“hierarchy [versus] egalitarian” orientation) (Hofstede 1980, 130-330). Two more correspond to the results of E. T. Hall’s studies, namely, high and low context (Hall 1976, 60-96) and polychronic versus monochronic time orientations in communication (Hall 1959, 80-130). Lastly, Palmer and Varner included a dimension that refers to one’s attitude toward time, namely,
“[r]eliance on fate [versus] being in charge of one’s destiny, including attitudes towards change” (Palmer and Varner 2005, 7).

**Repatriate Adjustment**

Black, Gregersen, and Mendenhall explored the question of repatriation adjustment, which turns out to be a far more challenging issue than international organizations generally assume it to be (Black, Gregersen, and Mendenhall 1992). To facilitate understanding of what to expect from an inadequate organizational effort at maintaining high levels of both performance and organizational commitment, they constructed a two-by-two matrix to illustrate the conditions under which expatriates are likely to stay or leave upon their return to the home office, and what their ultimate predisposition will be. Their model predicts that repatriates will often experience a compulsion to leave the organization if their performance overseas was high, but with a low organizational commitment. This latter condition is critical, because it is generally within the organization’s capability to nurture strong organizational commitment, mainly be conscientiously planning the expatriate’s return, such as by following the advice of Mendenhall, Dunbar, and Oddou in this respect (Mendenhall, Dunbar, and Oddou 1987, 341). In cases of dysfunctional turnover, the organization loses more than the talents of a competent organizational manager or professional, because the value conveyed by the expatriate experience enhances that performance. The resulting cost to the organization is extraordinarily high. Black, Gregersen, and Mendenhall’s other categories include the opposite; namely, poor performance and little commitment to the organization, which leads to an acceptable instance of turnover. However, there is no logical way for an
organization to engineer a reduction in organizational commitment, so this contingency is
less useful than the first mentioned for planning purposes.

Problems that lead to poor repatriate adjustment include the pervasive but natural
fact that expatriates experience a significant reduction in total compensation upon their
return to the home office (Stroh et al. 2005, 192). Expatriate compensation is very high
by nature, including both extra benefits (e.g., housing and domestic services) to support
the whole family and monetary incentives to attract qualified candidates to the expatriate
option within the company. This latter component of the expatriate compensation
package is more than merely a reward to induce people to volunteer for an assignment;
instead, it responds to the implicit transaction price experienced by an expatriate in the
form of the extraordinary inconvenience that results from making the decision to leave
the home country for a lengthy stay in a demanding environment.

In one of her earliest articles, Adler noted that the literature had yet to address the
question of repatriation difficulties and their associated costs to organizations (Adler
1981, 344). She noted that the phenomenon of culture shock had received wide attention
in the literature, as had the challenge of adjusting after making the initial trip overseas.
However, by comparison, the “implicit assumption has been that returning to a familiar
place, to one’s home country, is easy.” In fact, Adler found that expatriates had generally
experienced more trouble trying to readjust to life in the home office than they had
experienced in their effort to adjust to life overseas as new expatriates (Adler 1981, 344).
Adler explained that the adjustment cycle for repatriates is similar to that which
expatriates first experience overseas: namely, euphoria, followed by dysphoria, followed
in turn by eventual adjustment. However, she observed that the euphoric phase tends to be exceedingly short, ranging from less than a day to less than a month. By comparison, the nadir of the dysphoric phase tends to occur two or three months after the return (Adler 1981, 345).

The problem is more than a readjustment to one’s culture of origin after so much effort to adapt to a new culture and perhaps attain a certain degree of mastery over it. Adler found that repatriates returned with approximately the same technical skills as those that they had when they left, but with much stronger managerial competencies. Despite this, after an extended experience of making high-level managerial decisions under conditions of considerable ambiguity and nuanced cultural pressure, these repatriates returned to their home offices with abruptly curtailed managerial responsibilities, with a far more tumultuous effect than they could have expected (Adler 1981, 346).

In agreement with Adler’s conclusions, Oddou and Mendenhall observed that expatriates experience a manifest broadening of their managerial or professional responsibilities, along with their own power and influence within their companies (Oddou and Mendenhall 1991, 28), but repatriation nullifies those effects. Tung also observed that the “reentry process can be particularly painful when expectations of upward career advancement are not realized,” noting that repatriates optimally need a way to transfer to the home office environment the competencies that they developed overseas (Tung 1988, 242). Frustration sets in when the repatriate find he or she is not able to promptly use the skills and experiences acquired abroad. Repatriation thus often leaves the repatriate with
a feeling that the international experience has contributed nothing to one’s career but a “loss of momentum” (Adler 1981, 346).

Mendenhall and Oddou noted that repatriates often experience culture shock upon their return to the home office: as they explained, “no one seems to care that the expatriate spent three intriguing, eye-opening years in Venezuela, Japan, or wherever” (Mendenhall and Oddou 1988, 79). Repatriates lose autonomy and an appreciable amount of self-respect, along with their loss in perquisites and benefits. A surprising fact is that repatriates usually have to find their own new job positions within the home office, so the feeling that one has experienced a demotion is palpable. Mendenhall and Oddou observed that about one-fourth of repatriates fail to find a suitable position in the home office and end up leaving the company instead; in one instance, they reported, “one executive was told he had six months to find a place in the company or he would have to start looking elsewhere” (Mendenhall and Oddou 1988, 79). Meanwhile, the authors found the frequency of repatriation failure (i.e., subsequent departure from the company) to hover around one-fifth of all cases (Oddou and Mendenhall 1991, 26). In a survey of MBA students across several prestigious programs, they found the consensus to be that “expatriation [is] a potentially risky career move” (Oddou and Mendenhall 1991, 26). Hardly anyone (0.4%, to be exact) thought that the expatriate experience constituted a part of the fast track to top management.

Stevens et al. found that repatriates need to engage in conscious efforts to readjust to their home environment in order to avoid the loss of their psychological attachment to their organizations (Stevens et al. 2006, 838). They found HR practices to be of some
influence in this process as well (e.g., the matter of HR assistance in locating a suitable job position upon repatriation), but the psychological experience of readjustment is more critical in explaining repatriation failure.

Tung’s solutions to some of the problems experienced in the effort toward repatriation include mentorship programs, establishing protocols to accommodate active communication between expatriates and the home office during the entirety of the overseas experience, and even establishing a dedicated organizational unit to manage expatriate concerns (Tung 1988, 243). The rationale for maintaining active, open lines of communication has to do with the need to maintain coherence in the organization. Organizations change, and expatriates need to keep up with those changes, a task that is impossible if the information flow breaks down. Repatriates often return to the home office to find that the organization has changed without them. Tung suggests assigning a designated point of contact in the form of a senior organizational officer to follow the expatriate’s progress in the other country. This is important for the sake of overall expatriate performance as well, in that it keeps the expatriate attuned to the most critical priorities of the company, even as they change over time.

Transfer of Experiential Knowledge after Repatriation

Given the extraordinary investment in human capital in which the successful expatriate experience results, the effective transfer of that talent to the home office is inherently desirable, as failing to realize this transfer objectively represents an opportunity cost to the organization. Palmer and Varner addressed this issue, recommending that organizations adopt explicit processes to ensure such transfer
routinely (Palmer and Varner 2002, 10). Furuya et al. recently remarked that very little research has addressed this question, whether in terms of transfer itself or in terms of what may moderate expatriate learning itself. They noted that the “competency-based view of repatriation has emerged only within the last 5 years,” hence this is a very new area of study (Furuya et al. 2009, 201). The authors suggested that some theoretical sources of insight may come from the theory of social capital, which would highlight the relevance of networks of expatriate experience, activity, and social support as vehicles for the accumulation and potential transfer of expatriate knowledge.

Lastly, Oddou, Osland, and Blakeney likewise recently addressed the question of transferring expatriate knowledge back into the organization. They broke down the types of analyzable knowledge into five categories, each introduced by a different interrogative pronoun (what, how, when, why, whom) in association with the active verb “to know.” These five categories thus consist of declarative, procedural, conditional (i.e., understanding purposes), axiomatic (i.e., understanding rationales), and relational (familiarity with points of contact) (Oddou, Osland, and Blakeney 2009).
CHAPTER 3
DEFINING AMERICAN SOCIETY VIS-À-VIS THE EXPATRIATE

It is important to understand the predominant culture of the United States in order to establish a starting point for approach questions of expatriate preparation, maintenance, and resulting issues. The United States shares a history closely linked to other members of the Anglo-Britannic civilizational cluster, which includes all of the large English-speaking countries that previously shared an affiliation with the British Commonwealth, including the United States, Canada, Australia, New Zealand, Ireland, South Africa, and the United Kingdom itself (Voss et al. 2010, 2-4). This history places considerable emphasis on individual freedom in economic and cultural matters alike, a widespread respect for capitalism, individual initiative, and a fascination with unbridled modes of existence (such as the historic American West or Australian Outback).

Expatriates from the Anglo-Britannic civilizational cluster will tend to sense a deep cultural familiarity with one another, so Anglo-Britannic expatriate networks can serve as efficient modes of sharing information. These expatriates will tend to find that most of the kinds of issues that they are comfortable discussing, or at least feel the temptation to broach, are similar across the group.

The major issues that polarize political discourse in the Anglo-Britannic nations include economics, namely, the question of centralized versus decentralized modes of economic behavior, with a strong bias in favor of the latter. Morality is also a common concern, with the tension between strong and weak social control and a strong bias in favor of the latter. Lastly, ethnic concerns round out most political discourse, wherein
each country has its own minority groups to serve as the focus of discussion – examples include French and Native American groups in Canada, Blacks and Whites in South Africa, and Muslims in the United Kingdom, etc. – with individuals from the United States and South Africa expressing particular sensitivity towards interracial issues. Expatriates will often have adopted strong positions on each of these dimensions of political attitudes, but the corporate experience will tend to discourage contentious debate.

A helpful starting point for understanding US culture is consultation of Hofstede’s cultural dimensions (Hofstede 1980; Hofstede 2001; Hofstede, Hofstede, Minkov, and Vinken 2008). Figure 1 presents a graphical illustration of the first five of Hofstede’s published cultural dimensions for the United States and the Anglo-Britannic civilizational cluster, respectively (Voss et al. 2010, 2-4). As of this writing, data for the sixth and seventh cultural dimensions (indulgence versus restraint, and monumentalism) are unavailable for most countries, including the United States.

Despite manifest cultural differences among the Anglo-Britannic nations, the similarities are overwhelming. Most strongly representative of the average for this civilizational cluster are the United States, Canada, and Australia; with the cluster also including the United Kingdom, New Zealand, South Africa, and Ireland, in descending order of proximity to the civilizational mean (Voss et al. 2010, 4-6).
Power distance, which refers to social attitudes regarding the appropriateness of differences in power, influence, or wealth across individual citizens, is very low in the Anglo-Britannic cluster as a whole, but it is relatively high in the United States. Within this cluster of nations, only South Africa boasts a higher power distance value (PDI = 49, compared to 40 for the United States). New Zealand boasts the lowest (PDI = 22), followed by Ireland (PDI = 28), and then Canada, the United Kingdom, and Australia, in that order. The results for the United States suggest that US expatriates are more likely to project some semblance of status in their expatriate roles, compared to the rest of the Anglo cluster’s member countries. Regarding the opposite tendency: namely, responsiveness to persons in positions of authority; US expatriates will see themselves as agents of their home offices, empowered to make discretionary decisions to further the interests of their home-country bosses.
Individualism refers to the attribution of motivation along an axis of individual to group. Countries in the Anglo-Britannic cluster score particularly high on the individualism/collectivism index, with the United States and Australia scoring the highest (IDV = 91 and 90, respectively), followed closely by the United Kingdom (IDV = 89). Lowest in individualism amongst the cluster are South Africa (IDV = 65), Ireland (IDV = 70), and New Zealand (IDV = 79); Canada is close to the average (IDV = 82). These results suggest that US expatriates are likely to value individual initiative, pursuing self-interest over the concerns of the group. The goal of simply being different is a rather strong temptation in general among Americans, but this can run afoul of many other business cultures around the world; an adequately trained US expatriate is less likely to pursue that in an international setting.

Masculinity refers to the extent to which a culture favors competitive achievement over cooperative beneficence. The Anglo-Britannic cluster scores rather high on the masculinity index, with the United States at the civilizational mean. High-masculinity cultures thus tend to feature strong traditions involving male-only sports (for which there inevitably emerge female-only sports franchises as well in the industrialized nations). An ancillary observation is that extremely high-masculinity societies also tend to feature strong gender role differences (Hofstede 1980, 205-207), but this effect seems to give way to the effects of political culture, especially in Anglo-Britannic nations. Of those nations that comprise the Anglo-Britannic cluster, Ireland boasts the highest masculinity (MAS = 68), followed by the United Kingdom (MAS = 66) and South Africa (MAS =
The lowest nations in this cluster on this measure are Canada (MAS = 54) and New Zealand (MAS = 58), while Australia and the United States are closely on a par.

Uncertainty avoidance indicates a cultural aversion to uncertainty in both social and business interactions. Nations with low uncertainty avoidance tend to produce large numbers of individual entrepreneurs, while those with high uncertainty avoidance may instead produce an entrepreneurial tradition based on group-based collectivistic practices (e.g., Japan and Korea). On this measure, the United States is slightly above average in the Anglo-Britannic cluster, although the civilization mean itself is somewhat low; this suggests that Anglo-Britannic nations share a strong entrepreneurial tradition. Highest on this measure in this group is Australia (UAI = 51), which suggests that Australians are most likely to engage in analysis before venturing forth into a new domain of business (or a new market), while lowest on this measure are the United Kingdom and Ireland (UAI = 35).

Finally, long-term orientation refers to a combination of a value for tradition and patience regarding current processes that one expects to lead to productive outcomes sometime in the future. This was originally referred to as Confucian dynamism (Hofstede and Bond 1988, 6), and in its original context it reflected a Taoist ideal that enhances one’s sense of destiny in the greater scheme of existence. Reinterpreted more generally as simply long-term orientation, the concept loses some meaning and creates confusion; especially on the matter of the importance of the past, as opposed only to the future. On this measure, the United States is very close to the Anglo-Britannic mean, which is itself very low by global standards. Canada is lowest in this cluster (LTO = 21), followed by
the United Kingdom (LTO = 25), and finally the United States (LTO = 29). Ireland is highest (LTO = 43), which suggests that Irish expatriates are the most likely in this group to suppress concerns about the visibility of their accomplishments, in favor of managing to pursue their course with constancy and consistency.

Figure 2: Anglo-Britannic and “Western World” Cultural Dimensions
Source: Data from Voss et al. 2010

For the sake of an embedded comparison, Figure 2 presents the Anglo-Britannic civilizational cluster against the mean of the other Eurogenic clusters (Central-European, Nordic-European, and the Western-European core countries), which collectively constitute what most writers mean when they refer to the Western World. Although the Western World constitutes a single large civilization for Huntington (Huntington 1993, 22-49), Voss et al. demonstrates that it constitutes too diverse a group of countries to treat as a single civilizational cluster. Toynbee had indeed identified the Western Civilization as consisting mainly of Voss et al.’s Western-European civilizational cluster, while mentioning a group corresponding to the Central-European cluster as separate and
avoiding detailed discussion about the Anglo-Britannic or Nordic-European groups. A separate Ibero-American cluster also exists outside of this domain, as does another cluster that includes Greece (Slavic-Orthodox, which Huntington correctly identified). Therefore, while there is a higher-order realm of cultural familiarity among members of the four clusters that constitute the larger Western World, expatriates would find it infeasible to rely on those nominal similarities to identify common points of interest, propensity, or attitudinal dimensions.

A review of each cultural dimension demonstrates that the Anglo-Britannic nations are lower in power distance, uncertainty avoidance, and long-term orientation, while higher in individualism and masculinity; than the norm across the European civilizational clusters. Specifically, the Western-European core countries (France, Germany, Italy, the Netherlands, Switzerland and the Benelux countries) are very high in power distance (PDI = 52), compared to very low, almost identical values across the other three groups (PDI = 32-33). A far higher order of power distance in the Western-European core countries seems to pose some potential for misunderstandings on the matter of appropriate levels of power and status for expatriates accustomed only to working across cultural boundaries in Anglo-American, Nordic, or Central-European countries.

On the question of individualism, the entire Western World scores very high on this dimension, but it is the Anglo-Britannic cluster that scores highest (IDV = 84). By comparison, the Nordic countries (Denmark, Estonia, Finland, Iceland, Netherlands, Norway, and Sweden, and by inference Latvia and Lithuania) and the Western-European
core score about the same (IDV = 68-69), while Central Europe scores lowest (IDV = 62), while still scoring very high as a comparison against the world as a whole. Eurogenic people are truly individualistic, prizing uniqueness in art and architecture, and valuing dissimilarity in creative approaches to solving problems.

On masculinity, it is the Central-European civilizational cluster (Austria, Czech Republic, Hungary and Israel) that scores highest (MAS = 68), which is indeed the highest score in the world (approximately tied with the Korean-Japanese civilizational cluster, MAS = 67). On this measure, the Nordic cluster scores exceedingly low (MAS = 16), and is indeed the lowest in the world. Given that masculinity is mainly an indicator of competitive achievement, Anglo-Britannic expatriates (and in fact everyone else in Europe) would do well to expend special effort to accommodate highly cooperative, non-competitive attitudes of collaboration in the Nordic countries.

The Anglo-Britannic and Nordic clusters score close to the same on uncertainty avoidance, although the former is slightly lower (UAI = 43, compared to 46 for the Nordic countries). This suggests that a similar attitude toward entrepreneurship exists between these groups overall. The scores for the Western-European core and Central Europe are significantly higher, however (UAI = 76-77). This suggests that considerably greater analysis should precede the undertaking of new projects in mainland Europe.

Lastly, there is the issue of long-term orientation, in which the Anglo-Britannic cluster scores noticeably lower than the norm for the Western World as a whole. While the Anglo-European nations score lowest among these (LTO = 30), Central Europe is very close (LTO = 31), and in fact there is little difference on this measure among the
Eurogenic civilizational clusters (LTO = 35 for Western Europe, and 42 for the Nordic cluster).

Figure 3: “Western World” and “The Whole World” Cultural Dimensions
Source: Data from Voss et al. 2010

Finally, to round out the discussion on comparative cultural dimensions, a comparison between the Western World (i.e., the group of four civilizational clusters that constitute the Eurogenic nations of the world) is appropriate. Figure 3 presents a graphical illustration in the same manner as the previous illustrations in this chapter. Interestingly, except for masculinity and uncertainty avoidance, the differences between the Western World and the world in general are very strong. Overall, power distance is extremely high around the world (PDI = 57, compared to the West’s 37), while individualism is quite low by comparison (IDV = 43, compared to the West’s 70). Lastly, although data for long-term orientation are unavailable for many countries, the West seems to score noticeably lower on this dimension than the world at large (LTO = 44, compared to the West’s 35). It appears that the greatest sources of confusion on the
matter of cultural dimensions for any Western expatriate are power distance and individualism. Together, these cultural dimensions create Hall’s higher-order dimension of high context (Hall 1976, 60-96). Therefore, the distinction between the Western and non-Western worlds revolves mainly around the distinction between high context and low context; as this study will discuss further in subsequent chapters, this should likewise inform how many specific phases the associated expatriate training programs entail, and to what depth cultural competencies are subject to assessment.
CHAPTER 4

CHARACTERISTICS OF EMERGING ECONOMIES

The available literature tends to acknowledge an identifiable set of characteristics that are common across emerging economies, which can account for differences between them and fully industrialized economies, with regards to the relative complexity of expatriate integration. Such characteristics include the recent adoption of liberal, market-oriented economic policies; the development of a sufficient financial regulatory mechanisms; and rapid increase in gross domestic product (GDP) and other measures of growth with resultant social pressures arising from increasing income disparity. (Hoskisson et al. 2000, 252-256).

The close influence of national governments on economic agents and markets is a common phenomenon in emerging economies (Dharwadkar, George and Brandes 2000, 652). Practices in this domain can take the form of the use of golden shares (stock-based company ownership with dominant voting rights), which some national governments may keep in formerly state-owned enterprises (SOEs) in order to shape management decisions concerning politically important stakeholders. Alternatively, some governments have resorted to public expropriation by means of tax or policy shifts, or by nationalizing private assets. In any given emerging economy, foreign companies may experience greater risk of exposure to such practices than do domestic companies because foreign MNCs depend on fewer host country resources; their activity yields a weaker impact on the host country in terms of jobs, taxes, or votes over questions of government intervention. Popular support for such actions may mount if the host government chooses
to justify its policy decisions in the name of reasserting sovereignty over ostensibly corrupt foreign interests (Delios and Henisz 2000, 312).

Expatriates in emerging economies often face challenges in their efforts to enter informal social networks that may afford connections to concentrations of facilitatory economic agents. These networks substitute for otherwise absent formal mechanisms and can supply ties between potentially valuable sources of assistance and the firm’s needs. Sources of assistance that are often accessible by way of such networks include managers, technical specialists, customers, suppliers, and government authorities. Expatriates therefore have to create strategic partnerships to obtain information and resources crucial for their companies’ success overseas, but insufficient interpersonal preparation can make this difficult (Peng and Heath 1996).

**Uncertainty in Emerging Economies**

Delios and Henisz described public-expropriation hazards in terms of how such risks affect the conduct of business in emerging markets. Specifically, they noted that a government “possesses a legal monopoly on coercion and is present in the background of every economic transaction” and hence operates as a constant source of risk for the profitability of private companies (Delios and Henisz 2000, 307). While this fact is arguably true of all governments throughout the world, emerging economies typically feature a much shorter decision-making route between the contemplation and execution of policy decisions, particularly those important to private business. The narrower range of relevant leadership and more extreme shifts in espoused government policy (between the régimes of starkly different political parties) exacerbate the abruptness of changes in
policy. The risk may come in the form of unexpected shifts in tax policy or tax enforcement itself, in addition to the more visible types of intervention, such as the outright expropriation of private companies’ physical property or financial assets.

Delios and Henisz explained that MNCs are most vulnerable to this kind of interference, because their greater access to economic information compels them to consume in-country resources only insofar as doing so represents an economic advantage over exploiting alternatives from outside the country’s borders (Delios and Henisz 2000). In general, emerging economies provide relatively few opportunities for real economic gains in the use of their own resources compared to what the large-scale efficiencies of foreign sources usually provide; in an emerging economy, MNCs tend to depend less on in-country resources than their domestic counterparts. Meanwhile, the authors noted that the governments of emerging economies take safer political risks when they target MNCs, in part due to the foregoing observation; namely, that less dependence on in-country resources leads to less opposition from domestic interests to government intervention in MNC activities.

Delios and Henisz also addressed the question of simply entering into a strategic alliance or international joint venture with a domestic firm. They explained that imperfections in the available economic information from these characteristically uncertain environments often induce the overseas partner to “behave in an opportunistic manner so as to divert the revenue stream of the joint venture away from the multinational” (Delios and Henisz 2000, 308). This kind of activity constitutes what the authors called the risk of private expropriation, as opposed to public expropriation, which
occurs when a government is the cause of the action. Private expropriation can take on the form of a loss of technological advantage due to compromises in corporate secrecy; in addition to host country firms’ leveraging the MNC’s brand name or identity in some way, where the host nation’s government does little to enforce relevant laws.

Hoskisson et al. explained that planned economies in emerging nations have featured often incredibly onerous state control of economic activity under the guise of inhibiting exploitation of worker interests; of course, such intervention results in dampened economic activity across the country (Hoskisson et al. 2000, 249). Industrial advantage in such environments has depended on executive waivers of national laws and regulations. Given the natural dependence on governmental favoritism that would inevitably emerge in such economies, national statutes often have imposed intractable networks of inhibitive regulation, because the government’s regular use of waivers to manage industrial interests rather than the law itself removes from national legislatures much of the circumspection that surrounds legislation in industrialized nations. Thus, emerging economies often appear to espouse the rule of law, while in effect they may often constitute dictatorial systems in actual practice. This is simply a general rule of political governance: when laws become impossible to follow, everyone eventually has to depend on government favors to survive. Even if a country elects its leaders fairly, it can succumb to de facto dictatorship insofar as the executive authority starts to grant waivers to individual companies enabling them to bypass the law.

Hoskisson et al. also discussed in depth the effect of transaction cost economics on the nature of information in emerging economies. Specifically, they noted that
“hierarchical governance modes will enhance efficiency [insofar as market transaction costs rise], although hierarchical modes can have their own bureaucratic costs” (Hoskisson et al. 2000, 254). As transaction costs drop, hierarchical control mode become too costly by comparison to horizontal, or network-based, modes. However, the degree of environmental uncertainty in emerging economies often creates a contradiction on this measure: specifically, inadequate protections of property rights in emerging economies prevent the formation of a sufficient hierarchy as a mode of reducing transaction costs. In this respect, informational uncertainty acts as a cost, which becomes overwhelming in emerging economies; for this reason, network relationships are of particular value for MNCs in emerging economies (Hoskisson et al. 2000, 257).

Privatization in Emerging Economies

Dharwadkar, George, and Brandes examined the nature of privatization trends in emerging economies around the world. To set a benchmark against which to examine this, they first analyzed the nature of privatization in the mature, industrialized economies, finding that these depend on one of two conditions: namely, that the internal governance structure of the organization is strong, or that the external governance structure (i.e., that of the prevailing laws and institutions) is strong; of course, a combination of the two is possible. Comparing this necessary condition to what prevails in emerging economies, the authors observed that “both internal and external mechanisms [of governance] are weak” in those environments (Dharwadkar, George and Brandes 2000, 653). The authors also noted that emerging economies usually feature poorly developed labor markets, indicating that “privatized firms have few managers with the
knowledge and skills required to manage these enterprises in a market economy” (Dharwadkar, George, and Brandes 2000, 657). In addition, because employees have rarely experienced a system of rewards for performance in centrally controlled national structures, they often have difficulty in adapting to such systems as those that characterize MNCs that originate in industrialized countries.

**Corporate Strategy in Emerging Economies**

Peng and Heath explained that companies in industrialized countries generally face two primary choices about how to expand strategically. These consist of whether to expand through growth in scale, or whether to grow through acquisition. In emerging economies, however, a third strategic option for growth presents itself; to seek growth by means of a “network” strategy involving the elaboration of strategic alliances with those firms that have access to needed resources (Peng and Heath 1996, 493). By this means, MNCs can draw needed resources centrifugally, but without the use of an ownership structure that would imply property rights. The authors explained that “the most fundamental feature of planned economies is the comprehensive use of central economic planning and bureaucratic control,” which usurps the role of the free market in conveying the same functions in industrialized societies (Peng and Heath 1996, 501).

**HR Strategy in Emerging Economies**

Meyer observed that MNCs conduct more training of employees of international subsidiaries than do domestic firms in emerging economies (Meyer 2004, 266). Uhlenbruck and de Castro studied private MNCs’ entry into newly privatizing Central and Eastern Europe by way of corporate acquisitions, and observed that governments in
transitional economies often promulgate rules to restrict the number of expatriate employees that MNCs may deploy in their acquired subsidiaries; alternatively, local governments may require retention of some minimum number of current employees upon acquisition of the entity. The authors noted that this is often a helpful condition for the interests of the country in question, even though it may burden the MNCs with retaining inefficient or unproductive overseas facilities (Uhlenbruck and de Castro 2000, 383-385).

Isobe, Makino, and Montgomery noted that expatriate technical professionals are an important source of technology transfer into emerging economies, especially when “the tacit aspects of the technology” are most difficult to replicate. This occurs whenever the essence of the technology in question is radically (or discontinuously) creative in nature. The authors also suggested that this is a two-way exchange: MNCs must rely heavily on HCNs in emerging economies to introduce products into the local marketplace, because the industrial configurations in emerging economies are far less systematic and predictable than those that predominate in the industrialized world (Isobe, Shige, and Montgomery 2000, 470-473).

*Women in Emerging Economies*

While surveying the rise of female political and business leaders around the world, Adler explained that businesses in emerging societies are more likely to accept women in managerial roles than those in industrialized societies (Adler 1997, 25). This apparently paradoxical outcome (considering that industrialized societies usually also enjoy a relatively high level of equality as a matter of both formal legal protections and social acculturation) is evidently a product of the greater risk aversion in matters of
business policy that seems to accompany the growth in available financial capital. Competition is fierce but predictable throughout most of the industrialized world, while it is generally the opposite in emerging economies (i.e., monopolistic but unpredictable). This effect seems to extend to political processes as well: “There is a myth that female-friendly countries produce more women leaders” (Adler 1997, 26). Pointing out that the relative electoral frequency of female leaders in developing and developed countries contradicts that expectation, Adler noted that corporations that provide a richer array of female-oriented benefits (e.g., in-house day care and flexible work arrangements) are similarly less likely to evidence women in the highest levels of corporate authority.

**National Culture in Emerging Economies**

Leung et al. observed that national culture shows some evidence of changing over the years, and progressively quicker following the introduction of pervasive information technology and social media (Leung 2005, 358). Relating their arguments to the question of national culture in emerging economies, it can be implied that culture experiences relatively greater pressure to change, compared to industrialized countries; this suggests that the expatriate’s challenge of adapting to host country cultures is greater in emerging economies, where the pressures inherent between cultural conceptions of the past and future will naturally complicate the already significant challenge of simply acclimatizing oneself to a different culture.

Emerging economies naturally cover several civilizational clusters within the definition of Voss et al., or even civilizations within the historic sense for Huntington or Toynbee. However, most actual contrasts drawn between industrialized countries and
emerging economies focus on the West to represent the former and the old idea of the Third World for the latter. On a cultural level, this distinction systematizes the difference to the point of creating a confounding measurement effect; as explained in the previous chapter, the West manifests certain cultural traits overall that are quite different from those of the non-West. Specifically, a review of Figure 3 demonstrates that the West is significantly different from the non-West on measures of power distance, individualism-collectivism, and the dimension of high and low context.

Identifying emerging economies objectively is difficult. Sidaway and Pryke called attention to the pervasive use of the term “emerging markets,” compared to the dearth of any indication that anyone knows what an emerging market actually is. They then proceeded to map all the countries referenced under the label “emerging markets,” as used in 1998 by the International Finance Corporation (Sidaway and Pryke 2000, 187-192). Interpreted within the framework of civilizational clusters of Voss et al., emerging economies evidently include every civilization on earth except one of the four Western clusters (i.e., the Central-European cluster) and the Korean-Japanese cluster. Sidaway and Pyke’s map is admittedly slightly confusing, because countries excluded from the list of emerging economies are either clearly part of the developed world, or part of that world whose state of underdevelopment is so serious (or their financial markets are so small) that investing in those countries is simply an uninteresting prospect.

Viewed from the perspective of civilizational clusters, civilizational economies are divisible into three categories: (1) industrialized; (2) transitional; and (3) developing. Of these, transitional economies refer to those that operated under centrally planned
régimes during most of the past century but are currently making the difficult transformation to capitalistic régimes, even if only partially (e.g., China). The last two categories in this breakdown together constitute emerging economies.

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<th>CIVILIZATION</th>
<th>ECONOMY</th>
<th>CONTEXT</th>
<th>PDI</th>
<th>IDV</th>
<th>MAS</th>
<th>UAI</th>
<th>LTO</th>
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Table 1: Civilizational Clusters by Economic Régime
Source: Data from Voss et al. 2010

Table 1 depicts the three types of economies, generalized across their respective civilizational clusters, along with their mean cultural dimensions. Although there is no uniform cultural configuration for any of the three groups, all four civilizational groups in the developing-economy category are high-PDI and low-IDV, which makes them high-context. Two of the three transitional economies are likewise high-context, excepting the Central-European civilizational cluster, which is low-context (low-PDI and high-IDV). Meanwhile, of course, all but the Korean-Japanese civilizational cluster are low-context among the industrialized countries.

These patterns of high and low context (Hall 1976, 60-96) create a complexity in cross-cultural communication that is difficult to grasp. As Voss et al. explained, the differences between two national cultures within the same or a related civilizational
cluster are very visible to observers from the other national culture. For example, American expatriates in Germany notice the Germans’ lower individualism, which manifests itself in the form of strong imitation in layout across retail enterprises and the German propensity to watch one another’s property and report intruders to the authorities. The higher uncertainty avoidance among Germans compared to Americans similarly makes the former more intent on fully analyzing a project before initiating it. This visibility may actually be a product of the fact that both countries are low-context societies (arguably, this would be E. T. Hall’s inference), but the result may be the same regardless of theoretical rationale.

By comparison, the transition from one civilizational cluster to an unrelated one produces a confusing interaction among several significant differences in cultural dimensions, so simple contrasts are no longer decipherable; again, these differences also usually entail a change from low to high context, so this may be the overriding source of the conceptual confusion. For example, the expatriate from the United States who goes to Mexico will encounter ample sources of confusion on the matter of how to communicate with his Mexican counterparts. Crouch’s comparative description of the use of language among people brought up in the United States describes them by saying, “We [Americans] abhor people who use pretentious language to say what could be said more simply—we call them snobs [or] snoots. [. . .] Only geeks know the word aphorism, after all” (Crouch 2004, 61). By comparison, “When a Mexican offers you a compliment take it, or else you may find yourself in an endlessly mushrooming bouquet of floridity leaving both of you gasping for respite” (Crouch 2004, 62).
To Crouch, these are examples of how Mexicans are unique; for E. T. Hall, this is a perfect example of the difference between low and high context (Hall 1976, 60-96). High context in culture tends to encapsulate other cultural habits, such as face-saving agreeableness when an occasionally frank disagreement might be more efficient, or a tendency to say everything except what one actually means. It may also mean a habit of talking at great length about family matters for the first 45 minutes of a one-hour business meeting, or a dismally sparse vocabulary to cover too many subtle distinctions regarding technical matters of detail. All of these effects may simply be the consequence of the combination of high power distance and low individualism, but they carry enormous impact on the comprehensibility of intercultural exchange.

In summary, differences in national culture between the (usually Western) industrialized and (usually non-Western) emerging economies are probably a question of the preponderance of cases in which the low-context expatriate must work in a terribly high-context environment. Specifically, each civilizational cluster is self-similar in most respects regarding the abstract appreciation of culture; the optimal consideration is what the cultural profile of the target civilization is, rather than whether there is anything cultural to expect because of transition from an industrialized to an emerging economy. Although the rapid pace of economic change also places pressure on cultural comprehensibility, in the same way that rapid organizational change places pressure on one’s deciphering organizational culture, it is likely that its effect is mainly to make much of the decision-making ambiguous. However, emerging economies already possess some measure of uncertainty, due (in part) to governments’ less predictable behavior compared
to industrialized countries. Therefore, the expatriate would do well to try to comprehend
the cultural pattern and the effects of the ambiguity separately.
CHAPTER 5
A COMPOSITE EXPATRIATE MANAGEMENT MODEL

Based on the foregoing review of the literature, observations about the American cultural frame of reference, and overview of the unique demands of emerging economies, this section will seek to assemble a composite model for effective selection, training, and repatriation of expatriate managers and professional employees. Although most of the literature emphasizes cultural selection and training over the technical or strategic facets of selection and training, the assumption in this emphasis is clearly that organizations are already supporting the latter sufficiently. Therefore, in order to avoid the fallacy of creating the impression that only the cultural criterion is important, a complete selection and training model must be careful to address the full range of necessary criteria.

The primary basis for this framework is Engle et al.’s “global-competency cube” (Engle et al. 2001, 349), which provides a sufficiently abstract, comprehensive model to guide critical-competency identification and development. This model places equal emphasis on the functional, product-based, and cultural components of selection and training, as well as a ‘breadth’ and a ‘depth’ dimension in each competency plane. Within each of Engle et al.’s three competency planes, the model will seek to identify an optimal role in expatriate selection, pre-departure training, post-arrival training, and repatriation; in addition to special considerations for emerging economies.

Functional Plane

The functional plane addresses technical competencies for operating-level entrepreneurs and strategic competencies for top-level leaders (Engle and Mendenhall
Of Engle and Mendenhall’s three categories of expatriates, operating-level entrepreneurs correspond most closely to technical professionals; top-level leaders are managerial professionals; and senior-level developers bridge the gap between the two. Senior-level developers accordingly must incorporate both technical and strategic competencies.

**Selection on the Plane of Functional Competencies**

On the breadth dimension, expatriate selection on the functional plane asks whether the candidate possesses the necessary technical or strategic range of the role. Engle et al. explained that the functional range of the expatriate role refers to work design; specifically, the technical range of the role refers to the full range of specialty areas in which the expatriate is likely to have exposure in the overseas assignment. In a manufacturing context, this refers to functions upstream and downstream (i.e., toward the supply chain and toward the marketing function, respectively) of one’s central role. For example, a product designer may require expertise that incorporates elements of vendor-specific sourcing (upstream functions) and relations with retailers (downstream functions).

On the matter of strategy, the analogous question of range refers to the manager’s familiarity with both upstream and downstream strategic concepts, toward supply chain strategies in one value chain direction and marketing strategies in the other. In a more general sense, the need for sufficient functional breadth suggests a need for expatriates (both technical and managerial) capable of visualizing the organization’s processes on a larger scale, without sacrificing specific expertise that applies to their core functions. A
proxy for a measure of functional breadth is the candidate’s prior experience in a broad base of specialty functions. An HR manager, for example, who has previously served as a payroll specialist, recruitment specialist, training specialist, and equal-employment opportunity specialist has greater breadth in the HR area than one who has served in only one of these specialty areas.

On the depth dimension, expatriate selection on the functional plane asks whether the candidate has experience in the necessary technical or strategic depth of the role; this refers to the functional-area expertise noted above. For example, an expatriate technical expert (operating-level entrepreneur) in the area of product design must be capable of every detail of product architecture, without sacrificing the strong sense of context involving related functional areas. An expatriate managerial professional (top-level manager), by comparison, must know company processes intimately, rather than merely enjoy a purely generalist’s view of organizational strategy. A measure of functional depth may involve the total length of time that the candidate has spent in the specialty area of interest. On this measure, it is possible for a candidate to have achieved great breadth, but insufficient depth. On questions of both depth and breadth, one’s prior education should also be a consideration. Although higher education provides less specific expertise from the perspective of company needs than the same amount of time spent in a specialized unit of the company, higher education in a specialty area followed by practical experience enhances the latter considerably. Three college courses in marketing, for example, followed by a year of specialized marketing experience in the company may be worth two years of experience instead of one.
Pre-Departure Training on the Plane of Functional Competencies

On the breadth dimension, pre-departure training for expatriates on the functional plane must first determine what the requisite range of technical or strategic expertise for the role. Expatriate selection is different from standard employee selection for needed organizational competencies outside of the expatriate context, because organizations always have a choice over whether to select fully qualified people (at a premium) or adequately qualified people who are trainable to reach full competence. Given that expatriates come from within the company only, the recruitment pool is very narrow, and deficiencies in competencies are only remediable by way of training; reliably selecting fully qualified people who need no training is an unreasonable expectation, so inevitably a company must have a strong expatriate-training structure in place if it is to field qualified expatriates. Training on the breadth dimension therefore must take the form of pre-departure rotation through specialty areas that correspond to the expected range of functional work in the foreign location. Working from Jelinek and Adler’s recommendations (Jelinek and Adler 1988, 17-19), a company that seeks to be truly global will anticipate such needs well in advance by rotating managerial and professional employees through specialty areas, as an inherent part of job expectations from the outset. Doing so will facilitate expatriate selection and training alike by minimizing the need to make up for deficiencies that the selection process would eventually have to discover close to the deployment date.

On the depth dimension, pre-departure training for expatriates on the functional plane asks what depth of technical or strategic experience is necessary for the role. The
company may remedy suspected deficiencies that come from insufficient time spent in the core functional area by planning formal education as a complement to that time. As noted previously, higher education can serve to enhance the effective depth of knowledge that an employee gains on the job. Cost-effective preparation in either technical or managerial areas may therefore entail outsourcing to locally available universities, where the candidates in question may enroll in approved courses at the appropriate academic level. Assigning candidates the goal of drafting research papers for presentation at academic conferences may also serve this purpose, while affording the company greater specificity in relevant training areas. The depth of knowledge that comes from such an exercise is highly valuable in its provision of special insights to both the candidate and the company.

Post-Arrival Training on the Plane of Functional Competencies

On the breadth dimension, expatriate post-arrival training on the functional plane considers whether the expatriate is familiar with the foreign environment’s unique configuration relevant to carrying out the required range of technical or strategic expertise. For technical professionals (operating-level entrepreneurs), this involves adapting to what appear to be novel process arrangements. As exemplified in Stroh et al., a foreign subsidiary of one’s own company may operate quite differently from the analogous function in the home environment, especially when the subsidiary is the result of the acquisition of a formerly distinct entity (Stroh et al. 2005, 70-73).

It is also important to consider the extent to which the subsidiary’s organizational culture and communication patterns have failed to integrate adequately into those of the
owning company. If an expatriate technical professional has come to know the technical facility of the home office so intimately as to be able to maneuver through it with little thought, he will encounter utter frustration if he expects the foreign subsidiary to operate in the same way. Therefore, thorough orientation to the new configuration is critical for the expatriate to be fully productive upon arrival to minimize the learning curve. For managerial expatriates’ strategic competencies, the analogous preparation involves a detailed configuration of the upper and lower reaches of the value chain, including specific vendors, retailers, legal support in country, and government agencies. If possible, the top-level manager must receive a thorough orientation that includes face-to-face introductions, third-party assessments of the personalities of various key individuals, and practical advice on what informal devices functioned productively in the past.

On the depth dimension, expatriate post-arrival training on the functional plane seeks to make the expatriate familiar with the specific technical or strategic needs and problems that are currently evident in the overseas role. For the technical expert, rather than address the configuration of processes and key points of contact, as in the breadth dimension, the depth dimension looks for idiosyncrasies in the core specialty area alone. For example, an inventory control specialist must be able to adapt to how the subsidiary has managed inventory control in the past. If the technical expert’s mission is to update inventory control hardware, such as by integrating new point-of-sale scanners into the inventory control system, he must avoid presuming (without good reason) that any inventory control structure is incorrect that fails to mirror a familiar situation at the home
office. Certainly, if the expert’s role falls short of changing the basic system, great patience is necessary until he comes to understand the subsidiary’s system in depth.

Above all, the technical expert must have a keen understanding of what actually makes the system of interest work; otherwise, he is likely to question any unfamiliar process as the probable cause of any kind of deficiency in the overseas entity that he may have noted prior to arrival. For the top-level manager, the task is similar, but it involves depth along the axis of the whole subsidiary, rather than a particular subsystem. Again, the need for the expatriate to receive strong grounding in the details of how the organization operates is paramount. Too often, expatriate managers presume that they must overhaul the system of an acquired subsidiary that appears to function strangely by comparison to their own experience. Thus, just as in the case of the technical expert, top-level managers tend to classify the unfamiliar as requiring change; unless they know profoundly what is truly necessary for an organization-level operation to function efficiently.

*Repatriation Planning on the Plane of Functional Competencies*

On the breadth dimension, repatriation planning on the functional plane seeks to verify that the repatriate is familiar with changes that have occurred in the home office environment as they may affect his required range of technical or strategic expertise; this holds especially true in the 21st century, as organizations change rapidly. As Tung emphasized (Tung 1988, 129-143), constant communication between expatriates and the home office is important for facilitating repatriation success; a lack of sustained communication over time can reduce the expatriate’s salience, including the appearance
of availability in both solving problems and organizational processes. However, it is also because organizations change: one’s extended absence from any organization reifies the organization’s nature at the time of the observer’s departure from it.

Upon return, the observer encounters a veritable shock from the extent of the observed changes. For the repatriate, one of the consequences of this effect is that the search for a new place suffers from the fact that the repatriate will engage in the search based on assumptions about internal configurations and unit-level missions that no longer hold true. Just as the expatriate needed to know how upstream and downstream processes functioned in the overseas subsidiary; he must now become familiar with the same in the home office, just as though it were another new location. Lastly, as Mendenhall, Dunbar, and Oddou argued, reorientation to the home office is insufficient; instead, the HR staff must begin searching for a suitable job position for the repatriate a full six months prior to his return (Mendenhall, Dunbar, and Oddou 1987, 341).

On the depth dimension, repatriation planning on the functional plane addresses whether or not the repatriate is familiar with new technical or strategic needs and problems that have emerged during the expatriation period. Simultaneously, the transfer of expatriate learning into the organization after repatriation can also reasonably be understood as a functional-depth issue. For the first question, a daylong reorientation by the relevant manager and key assistants is sufficient. To address the second question, several modes are possible, but it is worthwhile to consider some of the same approaches as noted for pre-departure training in depth. Optimally, the repatriate can team up with expatriates-in-training to pursue research projects that exploit the repatriate’s experience.
Meanwhile, of course, the HR staff can also set up larger-scale training sessions with the repatriate acting as the subject matter expert in session run by the HR training staff.

**Emerging Economies and Functional Competencies**

The primary interest raised by functional competencies in emerging economies involves the vast differences in operational configurations that will accompany any instance of moving from a capital-intensive to a labor-intensive environment. This will typically be the case wherever the home office has sought to lower the costs of manufacturing by establishing an overseas plant. For the technical expert, the transition from a capital-intensive to a labor-intensive operation is a dramatic challenge, because it affects every aspect of his professional expertise: questions of selection will naturally place greater emphasis on the expert’s experience in labor-intensive environments.

Pre-departure training must likewise emphasize instruction in labor-intensive operations, but outsourcing that function to university-based sources must typically take on a unique form; namely, consideration of contracting for the university to supply in-house training in labor-intensive operations, because it is unlikely that there will be any standard courses in labor-intensive production operations management. The length of time devoted to post-arrival training is also an important consideration when this transition is the case. By contrast, there should be little impact on that aspect of repatriation planning that involves reintroducing the repatriate into the home office, but knowledge transfer is considerably more important in this than in the ordinary case. For the top-level manager, labor-intensive operations similarly present greater contrasts in the
supply chain, typically with shorter routes between raw materials and finished goods than in a capital-intensive environment.

When the manufacturing configuration involves in-bond plants (maquiladoras in Mexico), the impact on training is far more manageable, because such plants operate within an integrated structure with the home office. Such operations amount to outsourcing small-scale manufacturing, so the supply chain routes from home office plants to the foreign location, and back again to the home office plants. In this kind of situation, ample training in labor-intensive operations should already be a routine part of organizational functioning, rather than a special consideration given to expatriate assignments.

For the top-level manager in particular, even if labor-intensive operations form no significant part of the overseas operation, a more complex system of points of contact – both along the supply chain and in support functions (e.g., legal and governmental activities) – will necessitate devoting more time to both pre-departure and post-arrival training. At the same time, such operations will also necessitate stronger and more regular contact between the expatriate and the home office throughout the assignment’s duration.

**Product Plane**

The product plane addresses knowledge of product features for operating-level entrepreneurs and knowledge of product positioning for top-level leaders (Engle and Mendenhall 2004, 613-625). As in the case of the functional plane, senior-level
developers comprise a category in between these two, so the necessary competencies on the product plane incorporate elements of both.

Selection on the Plane of Product-Based Competencies

On the breadth dimension, expatriate selection on the product plane requires the candidate to be sufficiently familiar with the product range. This corresponds to the actual range of product variety in a manufacturing setting; the specific variations in specialization if the foreign location is a source of a focused line of products; or the range of services if the overseas firm engages in service-based interactions. Selecting optimal candidates will depend on identifying those candidates with the greatest working exposure to the relevant product range at the home office. Candidates who have been able to spend some time in both corporate buying and marketing will have an advantage on this dimension.

On the depth dimension, expatriate selection on the product plane must determine whether the candidate knows the product’s features and adaptability needs. From a technical perspective, this refers narrowly to product characteristics, configurations, and benefits. From a managerial perspective, this may refer to manufacturing configurations, sourcing issues, and outbound logistics. Strong candidates along this dimension will have benefited from exposure to both inbound and outbound logistics for the core product at issue, or the service profit chain if the core product is a service; product depth is most readily visible from a perspective that benefits from clarity on those matters either immediately preceding and following product manufacturing/retailing, or service preparation.
Pre-Departure Training on the Plane of Product-Based Competencies

On the breadth dimension, pre-departure training for expatriates on the product plane involves identifying necessary knowledge of the product-range for the role. As in the case of the functional plane, the organization lacks the standard choice of whether to recruit or train in order to supply itself with relevant competencies. Expatriates come from within the company, so the company must train in order to address any deficiencies that the available candidates may present. Candidates who have had no exposure to helpful areas of the supply chain and marketing functions may well receive that exposure at this time. However, product knowledge is also readily teachable in a classroom environment as well, which is an efficient method of training whenever several expatriates require training simultaneously. Such training can cover the entirety of product development, production, and distribution in the same setting; after classroom training, however, it would still be wise to plan some tours of those areas of the company referenced by the classroom training.

On the depth dimension, pre-departure training for expatriates on the product plane involves determining the necessary product depth knowledge for the role. As in the case of the expatriate selection, product depth refers to the product in the narrower sense, rather than including the broader range of products for suitable context; the approach, however, is similar. Classroom training is again important as an efficient training method. It is important to note, however, that in this case there is most likely to be some resistance on the part of the expatriates-in-training, because there will often be a feeling that no in-depth product training is necessary.
However, whether the expatriates in question are technical experts or managerial employees, the perspective that one gains from a classroom presentation concerning operations in which the expert has routinely engaged for a considerable length of time is helpful in setting the basis for effective post-arrival training. It is an opportunity to emphasize those aspects of operations that are essential for effectiveness, in contrast to those that are either traditional or in some other way optimal within the other operations in the same part of the company. Post-arrival training will inevitably involve some recognition of those areas of product development and deployment unique to the foreign subsidiary, and expatriate decision-makers must know the difference between what are true deficiencies in that operation and simply alternative ways to approach the same goals.

*Post-Arrival Training on the Plane of Product-Based Competencies*

On the breadth dimension, expatriate post-arrival training on the product plane should mirror pre-departure training. At this point, it is possible to emphasize the uniqueness of the overseas facility on questions of product range – again in a classroom setting – followed by tours of the relevant departments. The importance of touring is paramount in the overseas environment, because there are inevitably going to be several sources of curiosity that the preceding classroom training (whether post-arrival or pre-departure) was incapable of anticipating. The fact that the expatriate has already gone through classroom and tour-based training at the home office infers that he will have thought through much of the training while making the transition. Thus, in many ways,
the pre-departure training received by the expatriate at the home office serves as preparation for the post-arrival training that will occur at the overseas facility.

On the depth dimension, expatriate post-arrival training on the product plane again mirrors the depth dimension in pre-departure training. Thus, rather than product breadth, which provides context to inform product design, development, and deployment; the training now focuses on product depth, or features, benefits, and adaptability. If the foreign area involves an overseas market for the company, the expatriate will need familiarity with the special product adaptability needs of that market. If the foreign area serves as a source of supply, a review of foreign-area supply (rather than marketing applications) would be appropriate.

*Repatriation Planning on the Plane of Product-Based Competencies*

On the breadth dimension, repatriation planning on the product plane involves reorientation training on product range at the home office, which is important as a way to cover possible changes in product range that have occurred during the expatriate’s period abroad. Insofar as the expatriate has been able to maintain active contact with the home office during this time, product range reorientation should be easier; but, it would be a mistake to presume that such contact obviates it. Expatriate contact with the home office is inconstruable as a substitute for product training, even if it does happen to help keep the expatriate up to date regarding product evolution: the expatriate’s context for understanding developments at the home office is simply too different while still overseas.
On the depth dimension, repatriation planning on the product plane is similar to that on the breadth dimension. However, the reminder to place some focus on product depth simply contributes valuable planning information to support an effective reorientation process. Where physical products are the focal point, the expatriate will want to know whether product component sourcing or manufacturing approaches have changed during his time away; where services are the company product, the expatriate will want to know whether new legislation or marketing priorities have altered the standard service expectation.

*Emerging Economies and Product-Based Competencies*

Emerging-economy considerations on the product plane are similar to those on the functional plane, except that the issues have to do with products rather than processes. If the expatriate has been working at a labor-intensive plant overseas, his effectiveness will be visible in whatever the organization is capable of doing in the parent country, so the connection between his effectiveness overseas and his subsequent role at the home office will be stronger than in many other cases; of course, in the case of the in-bond plant, this connection is stronger still.

Both product construction and product marketing are also different in emerging economies. Aside from the likelihood of a labor-intensive operation, product construction may also involve lower literacy rates than at the home office: stronger HCN training is necessary in such operations, and this is especially true if the overseas operation depends on proprietary technology (Meyer 2004, 264). Meanwhile, product marketing may follow very different rules in overseas markets in emerging economies; this occurs on a variety
of subtle levels, such as product packaging (e.g., consumers in emerging economies typically buy manufactured food items in smaller packages than in the industrialized world) or product application (e.g., some emerging markets include laundry habits that necessitate highly biodegradable detergent, for use in open rivers). Classroom instruction is clearly more important in both pre-departure and post-arrival training to address emerging economies, because the nuances of the organization’s interaction with the local markets are much more idiosyncratic than in industrialized economies. The need for richer transfer of knowledge is also manifest. As in the case of the functional dimension, many idiosyncrasies of emerging economies are simply impossible to anticipate, so the direct experience of prior expatriates, along with their effectiveness in both recording their observations while in country and interpreting them for pre-departure audiences, is critical.

**Cultural Plane**

Of the three competencies comprising Engle’s cube, the cultural plane is the most complex; however, the need for cultural competencies is generally uniform, as are the specific types of cultural competencies required by the different expatriate categories. Differences along this axis will generally involve the extent to which the expatriate should expect to interact mainly with HCN specialists inside the overseas element of the company; or with a combination of both HCN and expatriate managers as well as HCN legal, governmental, supplier, and marketing agents outside the organizational structure.
Selection on the Plane of Cultural Competencies

On the breadth dimension, expatriate selection on the cultural plane seeks to determine whether the candidate is culturally adaptive. As Adler and Bartholomew explained, the 21st-century global company requires sensitivity across a broad range of cultures, rather than just a focused expertise in a single culture (Adler and Bartholomew 1992, 54). This competency is both difficult to measure and difficult to train; however, current literature provides some insights into matters of selection. The optimal candidate on this measure will naturally be one who has had ample exposure to more than one culture, in more than one civilizational cluster, preferably at least one of them being non-Western (Voss et al. 2010,4-6); of course, exposure to more than one non-Western cluster compounds the experiential effect. However, it is also important that the candidate’s past cross-cultural exposure consist of work experiences, rather than casual periods abroad. Therefore, the HR staff should devise a way to evaluate the probable value of several configurations of cross-cultural exposure, to incorporate whatever value prior work experience has afforded along with current work experience. Being bicultural may be worth some points on such a measure, especially if the bicultural employee regularly visits the culture of interest.

Distancing oneself from one’s own culture of origin undermines cultural intuition, so the length of time that has passed since cultural immersion is important as well. In essence, casual (non-work, non-study) time overseas may be worth some credit, while student time overseas is perhaps worth twice the amount; work time overseas, which includes Peace Corps activity, three times the amount. (The rationale for equating Peace
Corps activity with work, rather than crediting it as worth more than work, is that the immersion experienced by the Peace Corps worker is local to a specific, usually rural area and linguistic dialect, which detracts from the industry value of the experience and thus arguably compensates for its otherwise greater intensity.) Meanwhile, exposure to one culture may be worth some credit, while exposure to two cultures (in two different civilizational clusters) is worth three times that credit (given the effect of exposure to highly distinct cultures on one’s developing sensitivity), while exposure to three different civilizational clusters is worth perhaps five. Once again, non-Western cultures are more valuable than the Western civilizational clusters on this measure: if the HR calculus credits cross-cultural exposure within the Anglo-Britannic cluster at all, this should perhaps be only half that credited for the remainder of the Western World; while exposure to non-Western civilizational clusters merits three times that of the Western World.

It is naturally up to the HR staff to construct some way to measure these different levels of value, with the help of university-based researchers, as looser measures of the value of cross-cultural exposure are unlikely to result in a fair appraisal of the elusive quality of cultural sensitivity. Table 2 presents an illustration of how such a calculus might look.
On the depth dimension, expatriate selection on the cultural plane simply asks to what extent the candidate knows the target culture. A culturally adaptable expatriate may indeed be able to adjust readily, but one who has already worked in the target culture should be able to adjust effectively as well, even with a much narrower level of cultural sensitivity. Moreover, if the candidate’s exposure to the target culture derives from practical work experience – particularly in a capacity or at least an industry similar to one in which the company seeks to engage – he may have deep practical knowledge of institutions in the target culture that will facilitate adapting to it upon arrival.

Consequently, insofar as it is possible to construct a calculus to evaluate candidates’ relative cultural depth, a type of heuristic similar to Table 2 should again be feasible. In the case of cultural depth, as opposed to cultural breadth, language fluency should refer specifically to the target language in question (regardless of dialectical distinctions), while the value attributed to a candidate’s prior exposure to the target culture should probably use the Non-Western column and ignore the 2nd Civilization column. Again, however, it is up to the HR staff, optimally in conjunction with university-based researchers, to develop a workable calculus for their company’s needs.

Table 2: Sample Calculus of Relative Values of Cross-Cultural Exposure
Source: Civilizational-Cluster Identifications from Voss et al. 2010

<table>
<thead>
<tr>
<th>EXPOSURE (1 year)</th>
<th>Anglo-Britannic</th>
<th>Other Western</th>
<th>Non-Western</th>
<th>2nd Civilization</th>
<th>Language Fluency*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>× 3</td>
<td>× 5</td>
</tr>
<tr>
<td>Study</td>
<td>2</td>
<td>4</td>
<td>12</td>
<td>× 3</td>
<td>× 5</td>
</tr>
<tr>
<td>Work</td>
<td>3</td>
<td>6</td>
<td>18</td>
<td>× 3</td>
<td>× 5</td>
</tr>
</tbody>
</table>

*For purposes of evaluating cultural sensitivity (as opposed to culture-specific familiarity), language fluency excludes the expatriate’s native language and refers to the relative level of mastery (5 = completely fluent; 4 = highly functional; 3 = moderately functional; 2 = minimally functional; 1 = non-functional). Pre-departure corporate language training can typically only raise an individual’s fluency by one point on this scale.
Pre-Departure Training on the Plane of Cultural Competencies

On the breadth dimension, pre-departure training for expatriates on the cultural plane should seek to fill the gaps in assessed cross-cultural competency through targeted training. As noted above, cultural range refers to cultural sensitivity. In addition, as Table 2 presumes, there is more than one level of cultural sensitivity. At minimum, cultural sensitivity refers simply to one’s knowledge of how to navigate a new culture; the expatriate has learned cognitively what cultural cues to try to observe, and how to rationalize a semblance of logic behind them. At a higher level, cultural sensitivity becomes an intuitive apprehension; the expatriate is registering cultural cues at the level of feeling and is remaining naturally attuned to cultural cues in general. However, the candidate remains a foreigner at this level: adaptable but still actively assessing the culture to understand it better and predict cultural idiosyncrasies more reliably. At the highest level, cultural sensitivity becomes natural, with the candidate successfully adopting a frame of mind in which he sees the world just as the target culture sees the world.

These three levels of cultural sensitivity are construable as cognitive, affective, and experiential; and correspond to three levels of motivation in Locke’s motivation sequence model (Locke 1991, 288-299): conscious goals (cognitive), attitudes (affective), and human values (experiential). The effect of human values on perception clearly establishes a difference between affective and experiential levels of cultural sensitivity (Ravlin and Meglino 1987, 669). However, training in cultural sensitivity is unlikely to reach that highest level; instead, this requires years of exposure, even with the
accelerating assistance of foreign-language mastery. Meanwhile, attitudinal sensitivity should be a sufficient goal in pre-departure training. Moreover, organizations that make global awareness a part of their corporate cultures can incentivize both training in cross-cultural sensitivity and training in foreign languages (e.g., by outsourcing to universities), and these approaches will strengthen the impact of pre-departure training at that later point in time.

On the depth dimension, pre-departure training for expatriates on the cultural plane follows the pattern given for cross-cultural sensitivity training, but it focuses on the target culture alone. A distinction in this sense is that cultural-sensitivity sessions find less relevance in culture-specific training, although they can be helpful as ancillary training to support the latter. Culture-specific training may include reinforcement substitution (Mendenhall and Oddou 1985, 43) and role-playing that exploits the psychological effect of anticipatory control (Bandura 1968, 319-324). Culture-specific training also must include language training, given the high probability that the target culture uses a foreign language. As in the case of cultural-sensitivity training, Locke’s motivation sequence model applies to culture-specific training as well (Locke 1991, 294). Specifically, mastery of attitudinal (affective) facility in the target culture should have a dramatic impact on expatriate adjustment.

Post-Arrival Training on the Plane of Cultural Competencies

On the breadth dimension, expatriate post-arrival training on the cultural plane again refers to cultural sensitivity. Although culture-specific familiarity is more important than general cultural sensitivity after one’s arrival in the target culture, reinforcement
training in cultural sensitivity upon arrival will support the additional building of intuition that is desirable in the expatriate during the stay in country. Any post-arrival training program in cultural sensitivity should take advantage of the new setting to exercise what the expatriate has already learned in the pre-departure phase. Thus, a good training program in cultural sensitivity will link the pre-departure and post-arrival phases such that the former anticipates specific points of instruction that will occur in the latter. The post-arrival phase should maintain an emphasis on abstractness that culture-specific training is unlikely to address.

On the depth dimension, expatriate post-arrival training on the cultural plane addresses culture-specific familiarity. Thus, it constitutes a continuation of pre-departure training and covers a range of cultural-awareness issues, from practical concerns (i.e., the cognitive sphere) to attitudinal or intuitive development (the affective sphere). Ideally, the expatriate will continue to master the language and interact with the target culture regularly and deeply enough to develop experiential competencies as well (including the associated change in perception). Training in the target culture’s language is also important in both the pre-departure and the post-arrival phases.

It is noteworthy at this point that the degree to which one has mastered the target language may be a gauge of the level of depth to which one has likewise learned the associated culture. Specifically, the first level of learning occurs at a completely conscious, cognitive level. One memorizes words and phrases to serve as substitutes for analogous words and phrases in one’s own language. During the initial phase of the expatriate’s use of the new language, the expatriate thinks first in his own language,
translates consciously, and attempts to pronounce the corresponding words in the target language. After a while, habits of translating thought into words become more intuitive, and the speed of the expatriate’s delivery – as well as his comprehension of the foreigner’s speech – increases. Finally, at the highest experiential level of fluency, the expatriate comes to perceive his world from the foreigner’s frame of reference.

Repatriation Planning on the Plane of Cultural Competencies

On the breadth dimension, repatriation planning on the cultural plane mainly involves readjustment to minimize reverse culture shock. Treating the home culture as though it were foreign is a useful in exploratory discussions prior to the trip home. The expatriate is unlikely to expect that his newly adopted culture has given him a new set of lenses through which to understand his culture of origin in completely new ways. By now, the expatriate has typically adopted a range of new customs and habits that he will have difficulty maintaining after his return, and the impact of this disappointment will be greater than he expects. For example, expatriates who have lived in France often come to adore the habit of sitting outside at cafés with boldly roasted coffee and a crisp baguette; back in the United States, they try to figure out how to adopt the same custom, but the choices are very narrow, if they exist at all in the given locale. While this kind of transition may seem trivial, it constitutes one of several habits that the repatriate has to break or at least seriously compromise.

On the depth dimension, repatriation planning on the cultural plane is mainly a question of transferring the expatriate’s experiences back into the organization. In-depth familiarity with the culture should optimally return to classroom settings in which new
expatriates are currently becoming more culturally sensitive (the breadth dimension) as well as developing anticipatory familiarity of the target culture.; as noted previously, repatriates are extremely valuable for this purpose. In addition, however, given the repatriate’s temporary disconnection from his culture of origin, exploratory discussions about the new culture into which he is about to migrate (i.e., his culture of origin) are also important.

Emerging Economies and Cultural Competencies

On the cultural plane, emerging economies exacerbate most of the observations made previously. Cultural training, for example, is far more important for enabling adaptability to a culture in an emerging economy than for enabling an expatriate to migrate to France. As previously discussed, however, the extent to which culture-specific training is important may be a product of distinctions between low and high context (Hall 1976, 60-96). In that case, in-depth cultural training for Korea and Japan is also critical, as it is for any country in an emerging economy, viewed at the level of the entire civilizational cluster, which constitutes a developed country today by all relevant estimations, such as Taiwan, Singapore, and the United Arab Emirates. Although industrialized economies such as these are likely to be more amenable to the expatriate employee’s striving for familiarity, they are sufficiently distinct on the matter of cultural context to demand special attention. Even so, the interacting sources of uncertainty that prevail in emerging economies exacerbate the difficulties in comprehension that will afflict the expatriate. Therefore, pre-departure and post-arrival training for emerging
economies should include ample discussion of legal and political issues, in addition to the
standard cultural issues.

**Summary of the Comprehensive Expatriate Management Model**

Table 3 depicts a condensed summary of the comprehensive expatriate management model. In retrospect, the necessary level of detail for full comprehension of the model exceeds the allotted space. This is arguably a reflection of the complexity of the issues at issue herein. At any rate, an organization that wishes to adopt the model elaborated in this study would naturally seek to develop each level of selection, training, and repatriation planning as separate sets of documents, each of which demands in-depth thought in collaboration with both university-based researchers and corporate leaders:
<table>
<thead>
<tr>
<th>COMPETENCY DIMENS</th>
<th>PHASE</th>
<th>Ops-Level Entrepreneurs</th>
<th>Senior-Level Developers</th>
<th>Top-Level Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Functional</strong> Breadth Selection</td>
<td>Criteria: Value chain processes (upstream &amp; downstream)</td>
<td>In-house &amp; university classroom training + specialty rotation</td>
<td>In-country company tours + spending time with key directors</td>
<td>Update on home office structure + find job position for expat</td>
</tr>
<tr>
<td><strong>Depth</strong> Selection</td>
<td>Criteria: Specialty area operations (detail, idiosyncrasies)</td>
<td>University classroom instruction + focused research projects</td>
<td>Spending time with specialty area director + touring facility</td>
<td>Update on new specialty area issues + transfer knowledge</td>
</tr>
<tr>
<td><strong>Emerging economy:</strong></td>
<td>Labor-intensive operations + legal &amp; government protocols</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Product-Based** Breadth Selection | Criteria: Product range, design, development, & distribution | In-house classroom training + company supply chain tours | In-country classroom training + in-country supply chain tours | Update on home office product range and market categories |
| **Depth** Selection | Criteria: Product configurations, options, adaptability needs | In-house classroom training linked to foreign-area relevance | In-country classroom training + in-country marketing review | Update on home office product component & mfg. changes |
| **Emerging economy:** | Low literacy (labor-intensive ops.); marketing idiosyncrasies | | | |

| **Cultural** Breadth Selection | Criteria: Cultural sensitivity (broad-based cultural exposure) | In-house + univ.-based classroom tng. in cultural sensitivity | In-house + univ.-based cultural-sensitivity tng. reinforcement | Training to minimize culture shock; sensitivity-enhancement |
| **Depth** Selection | Criteria: First-hand familiarity with target culture & language | In-house + univ.-based classroom tng. in language & culture | In-house + univ.-based language/culture tng. reinforcement | Knowledge transfer tng., repatriate = subject matter expert |
| **Emerging economy:** | High-context environments + political sources of uncertainty | | | |

Table 3: Comprehensive Expatriate Management Model
Source: General Structure Based on Engle et al. 2001
CHAPTER 6
CONCLUSION

This thesis set out to investigate current literature’s findings on expatriate management, including expatriate selection, pre-departure training, post-arrival training, and repatriation planning; while also seeking to develop special insights applicable to expatriate integration into emerging economies. This study found that cultural preparation contributes a greater part to expatriate success than technical qualifications; however, it should still be stressed that technical competencies are nevertheless quite important, given the increasingly sophisticated demands posed by 21st century technology.

Of the available expatriate management models, this study found the “global competency cube” of Engle et al. most amenable to building a comprehensive expatriate management model (Engle et al. 2001, 349). This is because that model seems to give cultural considerations the importance that the literature suggests, but without neglecting technical competencies. Engle et al.’s division of technical competencies into both functional and product-based variants seems suitable to maintaining a view of the importance of both process and product-specific competencies, as two facets of technical competency. Moreover, Engle et al.’s division of each competency into a breadth and a depth dimension further promotes a helpful exploration into precisely identifying needed competencies, without inadvertently emphasizing one dimension excessively. As a specific example of this view, the need to identify both cultural breadth and cultural depth as necessary complements to cultural preparation naturally leads to exploring the
literature’s coverage of both cultural sensitivity and culture-specific training as relevant aspects of cultural preparation.

The emphasis on the unique needs of expatriate preparation for emerging markets leads to observations about the intensified sources of uncertainty in those markets (especially legal and political sources), along with general differences in cultural dimensions in the civilizational clusters at issue. In essence, functional, product-based, and cultural benchmarks of expatriate selection and training are already of prime importance in expatriate management; the observation that the target culture may also be an emerging economy intensifies the need for this preparation and hence the sheer time that organizations should spend on it. Furthermore, the distinct facets of organizational structure that often accompany operations in emerging economies – especially the establishment of labor-intensive operations to function in cooperation with the capital-intensive operations of the home office – suggest very great differences between expatriate management for the industrialized world, and expatriate management for the developing world.

Implications for management include the need to consider broad investments in human capital along the lines discussed herein as ultimately contributing to organizational success in the 21st-century global economy. Assessing the value of training is difficult, and that difficulty too often translates into conclusions that it is impractical; however, one can legitimately expect that effective cultural training will substantially reduce the probability of expatriate failure. The rationale derives from the broad base of existing literature, which demonstrates improved rates of success in
expatriate management based on proper cultural preparation, improved expatriate selection, and the active consideration of women as expatriate candidates. Waiting for one’s in-house expatriate pattern of success and failure to provide proof of the success of specific programs is an ineffective approach to determining program viability, because the statistical effect is too small against the complexity of the intervening variables affecting metrics. The optimal way to improve predictability would be to pragmatically rely on expert advice while simultaneously draw conclusions based on one’s own numbers.

Implications for future research should include questions appertaining to the relative effectiveness of each facet of the comprehensive model proposed herein: expatriate selection, pre-departure training, post-arrival training, and repatriation planning. For example, is there a difference in impact between pre-departure training in product depth and product breadth? Additionally, the observation of civilizational clusters suggests some room for deeper analysis into the effects of highly versus softly distinct cultures on expatriate preparation and success. The relevance of language training in cultural preparation also seems to be an important target of future research, as in this regard the literature did not readily reveal a great amount of scholarly exploration.

Limitations in the present study mainly revolve around its qualitative nature, which diminishes an opportunity to demonstrate empirical evidence to support or reject the proposed model. However, the literature is already replete with empirical tests of a variety of underlying issues in expatriate management, especially in the area of cultural training. What has been lacking is a comprehensive model that affords sufficient
opportunity to elaborate conceptual detail that is both practical, in the sense that real
organizations may immediately build their own expatriate management structures on this
basis; and conceptually coherent, in that it obeys a larger, systematic logic rather than
constituting merely an enumerated list of possibly arbitrary points.

Expatriate management is more important today than ever in history; yet, there
have always been expatriates. Prior to the Ottoman Empire’s formal acknowledgement
that different legal systems should cover the transient diplomats of Christian nations – an
acknowledgement whose logic emerges directly from that of Muslim practical theology
itself – there was no clearly defined way to treat diplomats. The Ottoman innovation has
since resulted in a universally recognized way for political nations to treat one another’s
formal representatives; that is, ‘diplomatic immunity.’ Yet the broad-based acceptance of
this legal concept has only existed for a relatively short period, arguably from the point
when the Ottoman Empire received American diplomats in the wake of the Barbary
Wars; this seems to suggest that universally acceptable structures of international
interaction are subject to some degree of evolution over time. Perhaps one day the
thoroughly global firm will be the norm, and the parochial firm merely an uncommon
relic of the past; it may very well be that a symptom of a change in that direction is the
changing status of the expatriate employee. Today the expatriate is an expensive, key
player in global business; tomorrow, he may be the norm. In the meantime, it seems
appropriate to anticipate that in some way all employees become potential expatriates, at
least for those global companies that seek to become viable contenders in the global
marketplace.
REFERENCE LIST


