



The UNIVERSITY of NEWCASTLE

Dissertation:
**An Examination of Expatriate Failure:
Analysis of the Experiences of
Participants in German Expatriate
Assignments in China**

**Daniel Gruszynski
MBA**

Submitted in fulfilment of the requirements of the
degree of

Doctor of Business Administration

Date of submission: 8 June 2007

Date of revision: 26 October 2007

Dissertation:
An Examination of Expatriate Failure:
Analysis of the Experiences of
Participants in German Expatriate Assignments in China

I hereby certify that the work embodied in this dissertation is the result of original research and has not been submitted for a university degree or other similar qualification to any other University or Institution.

.....
Hong Kong, 26 October 2007,
Daniel Gruszynski, Student-No. C3028809

Table of Contents

Chapter 1: Introduction

1.1	Introduction	8
1.2	Research Objectives and Research Questions	10
1.3	Definitions	13
1.4	Justification and Importance of the Study	14
1.5	Methodology	15
1.6	Outline	18
1.7	Conclusion and Limitations	19

Chapter 2: Literature Review

2.1	Introduction	21
2.2	Ability of the Expatriate to adjust to the unfamiliar Environment	23
2.3	Cross-Cultural Differences	25
2.3.1	Cultural differences between Germany and China	28
2.4	Expatriate Performance Evaluation	30
2.4.1	Evaluation Practices	30
2.4.2	Ability of the Parent-Country Superior to rate the Expatriate	31
2.4.3	Ability of multiple Raters to rate the Expatriate	32
2.5	Roles and abilities of host-country employees	34
2.6	Roles and abilities of parent-country employees	38
2.7	Role of mentors	41
2.8	Proposed Framework	43

Chapter 3: Methodology and Design

3.1	Introduction	47
3.2	Philosophy of the Researcher	47
3.3	Alternative Research Methods	49
3.4	Research Design and Implementation	50
3.4.1	Sampling Method	51

3.4.2	Interview Protocol and Process	52
3.4.3	Data analysis	56
3.5	Respondents Selection	57
3.6	Validity, Credibility, Reliability	59
3.7	Limitations	60
3.8	Ethical considerations	61

Chapter 4: Findings

4.1	Introduction	62
4.2	Findings from the Pilot Interview	62
4.3	The Findings from the Main Study	65
4.3.1	What major Problems have Expatriates, Parent-Country Superiors, Parent-Country Human Resource Managers, and Host-Country Subordinates perceived that hindered Expatriates from being effective?	65
4.3.2	How have Expatriates been prepared for the Assignment? How do Expatriates, Parent-Country Superiors, and Parent-Country Human Resource Managers rate the Quality of the actual Preparation of Expatriates for their Assignment?	73
4.3.3	How have Host-Country Subordinates and Parent-Country Superiors supported the Effectiveness of Expatriates?	79
4.3.4	How have Home-Country Superiors been prepared to be able to set appropriate Goals for the Expatriate, to evaluate the Expatriate and to provide Support if any to the Expatriate?	85
4.3.5	How has Expatriate Performance Evaluation been done in Practice?	90

4.3.6	How have Host-Country Subordinates been prepared for working with the Expatriate, understanding the Role of the Expatriate and understanding the Goals set by the Home Office?	95
4.3.7	What Improvements in Preparation and Actions do Expatriates, Home-Office Superiors and Host-Company Subordinates recommend to enhance Expatriates' Effectiveness?	100

Chapter 5: Discussion and Exploratory Outcomes

5.1	Introduction	108
5.2	Discussion	109
5.2.1	Ownership of an Expatriate Assignment	109
5.2.2	Methodologies of Goal Setting and Measurement	110
5.2.3	Cross-cultural Awareness	112
5.2.4	Role Perceptions	114
5.2.5	Relationships between Key Players	115
5.2.6	Mentors	118
5.2.7	Impact of other situational factors	119
5.3	Limitations and Implication for Future Research	119
5.4	Conclusions and Implications for Management	120

Figures and Tables

Figures

Fig.1:	Framework from Literature	44
Fig. 2:	Proposed Frame-Work	45

Tables

Tab.1:	Key characteristics of the respondents	59
--------	--	----

Abstract

The costs of failure of an expatriate assignment continue to be significant challenges for multinational enterprises in today's fast changing global business environment. While previous research supported the view that the result of an expatriate assignment was related to the expatriate's ability to adjust to the unfamiliar environment, and the adjustment process was influenced by the relationships between the expatriate and the various other participants in the expatriate assignment, this present research intends to combine the fragmented literature on various issues of expatriate management with the main stream literature and suggests that the result of an expatriate assignment is more complex. Little attention has been given in the literature to investigating failure of expatriate assignments in which expatriates were able to adjust to the unfamiliar host-country environment. This study explores the possible causes of the perceived assignment failures of German expatriates in China assignments who apparently were able to adjust to the unfamiliar cultural and working environment. This qualitative study applies the method of semi-structured in-depth personal interviews to explore possible causes for expatriate failure in cases where the expatriate was able to adjust to the unfamiliar host-country environment. By interviewing German expatriates working in China, parent country superiors of German expatriates in China, parent country human resource managers who were involved in German expatriates assignments in China, and Chinese subordinates who worked with German expatriates the study identifies a gap in research on qualifications and training of these parent-company and host-company key players. The results from exploration of the respondents' rich personal experiences identify possible weaknesses in the adjustment of the parent-country superiors, parent-country managers and host-country subordinates to the work environment in which the expatriate has to perform. The insights from this study provide a more holistic view of causes of expatriate failure and include the role of other major players in an expatriate assignment process. Implications are drawn from theory and practice.