



The UNIVERSITY of NEWCASTLE

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

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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.

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

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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.

1. Chapter 1: Introduction

1.1 Introduction

Globalization plays an increasingly important role for companies in today's fast changing business environment (Jack and Stage, 2005). Saturated home markets and high costs drive companies to expand to foreign countries. Managers who are sent from parent-companies to host-companies play an increasingly important role (Aycan, 1997b). Not only are expatriates very costly for these companies (Coperland and Griggs, 1985), but also the cost of failure of an expatriate assignment, such as damage of reputation, lost business opportunities and lost market share (Black and Gregersen, 1991; Naumann, 1992) continue to be significant challenges for multinational enterprises.

International Human Resource practitioners play an important role in facilitating the success of an expatriate assignment (Scullion and Brewster, 1999, Dowling et al., 1998) by selecting and training expatriates that are able to adjust cross-culturally to the host country environment (Caligiuri, 1997). The main focus of expatriate training is on identifying and adjustment to different cultural dimensions as introduced by Hofstede (1980, 1991, 2001) and research that followed (e.g. Trompenaars, Hampden-Turner, 1993, 2005). While Hofstede (1980, 1991, 2001) describes how far employees from different national cultures in average vary in their typical attitude, Trompenaars and Hampden-Turner (1993, 2005) emphasize how to work with the knowledge of cultural differences.

While the research on how to enable the expatriate to improve his/her adjustment to the unfamiliar host-country working and living environment has received significant attention in the international human resource management literature (e.g. Morley et al. 1999; Aycan, 1997b; Robie and Ryan, 1996; McEvoy and Parker, 1995; Black et al, 1991), the existing literature regarding the preparation of the other parties involved in expatriate assignments has received little attention. Vance and Ring (1994) argue that

the preparation of the host-country employees is often ignored by multi-national parent companies. The authors present a design for training in the host-country (Vance and Ring, 1994). If host-country subordinates and parent-country managers working with the expatriate understand the cultural background of each other player better, they will have a more positive influence on the out-come of an expatriate assignment (Aycan, 1997a). Cross-cultural training for the host-country workforce will create higher cultural tolerance which may improve the job effectiveness of the expatriate (Cox, 1994).

Successful expatriate adjustment does not only depend on how well the expatriate is selected and cross-culturally aware but also on organizational support systems, both locally and within the parent company (Aycan, 1997b). Organizational support is commonly focused on organizing participation of the expatriate and family members in cross-cultural training, on compensation package, on relocation support and on organizing repatriation (see: Shaffer et al, 1999). Regarding preparation of the other parties involved in an expatriate assignment, Vance and Ring (1994) call for greater research on host country employee training in cross-cultural skills, parent company specific skills and expectations on expatriate job-performance.

Despite its international significance, little attention has been given in the literature to investigate failures of expatriate assignments in which the expatriate was able to adjust to the unfamiliar host-country environment. This study explores the phenomenon of expatriate failure where the expatriate finds him/her-self in an environment which is very different from the home country. 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 researcher found a gap in research on qualifications and training of these parent-company and host-company key players.

1.2 Research Objectives and Research Questions

Failure of expatriate assignments is commonly explained as the result of the expatriate's or the expatriate's family members' inability to adjust to the host country working and living environment, mainly caused by unawareness of cultural differences between the parent country and the host country (e.g. Morley et al. 1999; Aycan, 1997b; Robie and Ryan, 1996; McEvoy and Parker, 1995; Black et al, 1991).

The focus of existing research concentrates on the expatriate as the one who holds full control over success or failure of the assignment. To further the existing understanding of causes of failures of expatriate assignments, this study utilizes the experiences, views and suggestions of participants in the expatriate assignment process to explore causes of failures of expatriates' assignments and attempts to go beyond the assumption that expatriate failure is exclusively caused by the expatriate. This research explores the possible causes of the perceived assignment failures of expatriates who apparently were able to adjust to the unfamiliar cultural and working environment. This research gathered data that provide new insights into possible causes of the failure of expatriate assignments, for example how the key players are related to the out-come of the assignment.

The results from exploration of the respondents' rich personal experiences add further factors to a framework explaining perceived expatriate failure. The data identify weaknesses in the adjustment of the parent-country superiors, other involved parent-country managers and host-country subordinates to the work environment in which the expatriate has to perform. The study found that it was not only the expatriate to adjust to an unfamiliar environment, but also parent-country superior, other involved parent-country managers and host-country subordinates had to adjust to the new environment and to each other.

Insights from this exploratory study provide a more holistic view of causes for expatriate failure and include the role of other major players in an expatriate assignment

process, the expatriate's parent-country superior, other parent-country managers, parent-country human resource managers and the host-country subordinates of expatriates. These insights may help to decrease failures of expatriate assignments.

Based on semi-structured personal interviews and literature reviews, a conceptual model is presented illustrating how the relationship between all key players in an expatriate assignment, such as the expatriate, the parent-company superior, the other parent-country managers, the parent-country human resource managers, the mentors and the host-country subordinates contribute to the result of expatriate assignments.

To develop the conceptual model the following research question has been developed:

How do the qualifications, attitudes and relationships of expatriates, parent country superiors, other involved parent-country managers and host country nationals contribute to the explanation of expatriate failure?

The researcher structured questions around the identified issues to collect further supporting or deviating data for further analysis:

- *What problems had the interviewed participants perceived that may have contributed to the failure of expatriates' assignments?*
- *How had the type and level of preparation of the interviewed expatriates for their assignment contributed to expatriate failure?*
- *How had expatriate's parent-country superiors been prepared for setting appropriate goals for the expatriate, evaluating the expatriate and providing support to the expatriate?*
- *How had expatriate performance evaluation been done in practice?*
- *How had 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?*

- *How had host-country subordinates' and parent-country superiors' attitudes and actions contributed to expatriate failures?*
- *How effective had mentoring been, if there was any?*
- *What improvements on preparation and actions would expatriates, parent-country superiors and host-country subordinates recommend to enhance expatriates' effectiveness?*

These interview questions navigate the course of this study attempting to contribute to the preceding literature on this topic. The interview questions explore with the help of the rich experiences and personal perceptions of the respondents how expatriate failure was caused by other reasons than the lack of ability of the expatriate to adjust to the unfamiliar host-country environment. Further, the interview questions explore how the key players in the expatriate assignment, namely expatriate, parent-country superiors of expatriates, other involved parent-country managers working with the expatriate and host-country subordinates of the expatriate were prepared and qualified for such assignment. This study also explores how expatriate goal achievement and effectiveness is evaluated and why it was seen as failure. Finally, this study explores how other factors that could have supported expatriate effectiveness, such as organizational relationship between parent-company and host-company, parent-company human resources management, and the use of mentors, were involved.

1.3 Definitions

Expatriate failure

This study explores broader causes of *expatriate failure* based on poor job-performance and poor job-efficiency. Expatriate failure is commonly described as the early termination of an assignment (Hill, 1998). Tung (1987) defined expatriate failure as the inability of an expatriate to perform effectively in an overseas country. In this research expatriate failure is defined as poor performance in foreign assignments even if it is not terminated early (Briscoe, 1995).

Expatriate

Aykan and Kanungo (1997) define an *expatriate* being an employee who is sent by a multinational parent-company on a work assignment to a foreign nation. In this research we regard an *expatriate* as being a citizen of one country who is working in one of an organization's subsidiaries in another country (Hill, 1998).

To be more specific, the expatriates explored in this study are citizens of the country in which the parent-organization is headquartered and not citizens of another country which is neither the country of the parent company nor the country of the host company (Daniel and Radebaugh, 1995).

Parent-country superior

The researcher of this study regards *parent-company superiors* as those managers who are disciplinarily in charge of the expatriate in the parent country. They set expectations and goals, and they evaluate the expatriate's job performance.

Host-country subordinates

The researcher of this study refers to *host-company subordinates* as those local employees who work directly under supervision of the expatriate in the host country.

1.4 Justification and Importance of the Study

In the light of continued expatriate failure within multinationals (Jack and Stage, 2005; Apud et al., 2003; Ricks, 1999; Thomas, 1998; Beamish et al., 1997; Harzing, 1995; Mendenhall and Oddou, 1988) the vast majority of previous International Human Resource Management literature explored expatriate failure from the perspective of parent-company policy rather than from the perspectives of the multiple players involved in the assignment. So far, existing research has focused on training of the expatriate, and rarely on training of the other members of the organization involved (Vance and Ring, 1994). In an empirical study exploring European managers in China not any relationship between pre-expatriation training and how successful managers were in their assignment was found (Selmer, 2002). Selmer's (2002) finding indicates that there could be impact from other factors as well, such as the ability of members of the direct organizational environment to work with the expatriate efficiently.

This study investigates numerous reasons for expatriate failure and contributes new evidence to previous research that has commonly explained the failure of an expatriate assignment was a result of the inability of the expatriate to adjust to the unfamiliar host-country environment (Shaffer et al, 1999; Caligiuri, 1997; Briscoe, 1995; Mendenhall and Oddou, 1985; Tung, 1981).

The expatriate assignments in which the respondents in this study were involved were perceived as failures. Even though these expatriates were qualified and experienced managers, and were cross-culturally aware, their efficiency was perceived as too low by their parent-company superiors. Instead of searching reasons for failure in the personal ability of the expatriate to adjust to the host environment, this study explores what impact parent-company superior, other parent-company managers and host-country subordinates had on the results of these expatriate assignments. This study explores how these key players should be selected and trained in order to support the expatriate better during the international assignment.

This study will search for valuable insights from the in-depth personal interviews of parent-company superiors, other parent-company managers and host-country subordinates involved in expatriate assignments on how to prepare and maintain a more supportive organizational host-country and parent-country environment that avoids expatriate failure.

Even though larger multinational companies tend to reduce the number of expatriate assignments and try to work with local talent, instead the fact is that the demand for expatriates is still growing due to the recent and steady increase of small and medium sized firms that attempt to enter international markets (Fitzgerald-Turner, 1999). The need for successful expatriates is as important as ever, and the failure rates indicate that selection and training with the focus on the expatriate's personality and ability to adjust to the host environment does not guarantee success. The information gathered in this thesis contributes to the literature on expatriate failure.

1.5 Methodology

This qualitative research applied the method of semi-structured in-depth personal interviews to explore possible causes for expatriate failure in cases where the assignment was rated as a failure but the expatriate was able to adjust to the unfamiliar host-country environment. This study searched for reasons that are not or not under control of the expatriate, but under the control of the other key players in the expatriate assignment process, such as parent-country superiors, other involved parent-country managers and host-country subordinates. The investigation discovered typical patterns that are similar across the individual cases of multiple respondents. This semi-structured in-depth personal interview study explored the complex causal links of behaviors by the key players in an expatriate assignment and suggests how these behaviors could be improved.

The interviewees were selected purposely as examples to represent a complex contextual situation. Patton (1990) encourages researchers for purposeful sampling in contrast to random sampling. The interviewees for this project were recruited because they could contribute relevant data for the exploration of the research problem available, and could be compared across each other. These responses had similarities and variations from each other, and allowed a pattern to be discovered. Patton (1990) emphasized that the target is to gather meaningful information rather than a certain sample size.

In-depth interviews with participants from the host company and from the parent company, such as parent-country superiors, parent-country human resource managers and host-country subordinates deliver additional data and views on the problem described by the expatriates and on the development of alternative approaches.

The in-depth personal interviews provided multiple views from participants in different roles in an expatriate assignment process. The review of the relevant literature contributes to the broader understanding of the settings, for example, what are the cultural differences to be observed, and how parent country superiors set goals and evaluate performance of expatriates.

The respondents were purposely selected. Two German companies with several subsidiaries in China asked the researcher to investigate the problem of failure of German expatriate assignments in China and helped recruit respondents. In order to protect participant confidentiality, the companies have nominated people to participate but the company has not been informed or been able to find out which employees declined or accepted the invitation. Participants were informed about the purpose and confidentiality of the study, their right to decline and declared consent.

The analysis of data as the results from various interpretations based on experiences and what is provided by literature rather than on statistical analyses. The analytical techniques for this research include grouping the results, drawing lines between

contextual variables (Miles and Huberman, 1984), and techniques defined by Yin (1994), such as pattern-matching and explanation-building.

The analyses of the data will be conducted in four steps (Janick-Bruckner, 1997):

- Understanding the key issues from the responses
- Assessing the key issues with the use of literature, and looking for evidence
- Integrating other perspectives, such as those from the interviews from participants in different roles
- Creating questions, insights, conclusions

Finding contingencies in the behavior of the other key players that have influence on the job performance of the expatriate and the perception of this performance by parent-country superiors shall be reflected and considered as stimulation for improvements in similar cases. The focus of the research is strongly on the other key players that surround the expatriate during the assignment.

The researcher presents conclusions from the user perspective. The explanations provide in-depth understanding of what happened due to which factors and how it they should be changed. The knowledge of the impact of such variables shall provide users helpful suggestions for understanding and improving similar situations under similar circumstances.

The conclusions resulting out of the observations from the answers of the participants are summarized as suggestions for improvements of similar situations under similar circumstances, and give recommendations for further research.

1.6 Outline

This section details and discusses the outline of the research.

- Chapter One: Introduction
- Chapter Two: Literature Review
- Chapter Three: Methodology and Design
- Chapter Four: Findings
- Chapter Five: Discussion and Exploratory Outcomes

Chapter 2 presents the review of literature addressing major issues of expatriate failure and preparation of expatriates for working in an overseas environment. The author will critically discuss the necessary initiatives of support of superiors, subordinates and peers rather than the activities the expatriate can undertake alone in order to manage the differences toward goal achievement. When searching for reasons of expatriate performance failure, the author will also review literature which discusses how failures are evaluated, and how and by whom the goals that apparently have not been achieved are set.

Chapter 3 explains the research method and design used to gather and analyze the data to answer the research questions. Several methodologies are discussed and the approach that is used in this study is explained. Furthermore the chapter builds upon the literature review to develop the conceptual framework and the research questions for this study, how the relationships between expatriates, parent country superiors and host country nationals contribute to the explanation of expatriate failure.

Chapter 4 presents the data received in the in-depth interviews grouped around the major issues identified.

Chapter 5 discusses the analysis of the data and presents the findings with practical implications. This analysis presents broad potential for in-depth exploration of relationships of patterns which shall provide recommendations for valuable improvements in the expatriate assignment process. Chapter 5 finally presents conclusions, implications for management, implication for future research, and limitations of the study.

1.7 Conclusions and Limitations

This chapter introduced the topic and outlines the forthcoming chapters.

From the discussion, the research objective, how the relationships between expatriates, parent-country superiors, other involved parent-country managers and host-country nationals contribute to the explanation of expatriate failure, was presented and proposed to develop critical awareness of the perspectives.

The importance and justification of this research from theoretical and practical perspectives were discussed.

There are a number of limitations of this study:

The researcher selected respondents purposely and therefore they may not be representative for all organizations and industries. The selection of participants of German expatriate assignments in China enables the researcher to explore possible factors occurring when very different cultures, such as the German and the Chinese culture, are involved, but the results may not necessarily be generally applicable to all cases where cultures are very different. Even though there is no evidence that this situation is only typical for German expatriates in this specific German organization, further research and cross-comparison with expatriates of other nationalities and with other organizations is recommended.

Data collected from participants in the interviews could be biased due to their own involvement. The interviewees could have self-interest not to admit to their own mistakes and might provide an idealized picture of their role.

This research project intends to create awareness for a different view on expatriate management, and is considered as kick-off for further research in this direction.

2. Chapter 2: Literature Review

2.1 Introduction

Avoiding failures of managers who are assigned from their parent-companies to host-companies is important in today's increasingly challenging global business environment (Aycan, 1997b). Expatriate assignments are costly for multinational companies (Copeland and Griggs, 1985). Besides costs of expatriations, such as cross-cultural training, remuneration packages and relocation costs for the whole family, the costs of failure of an expatriate assignment pose a threat to multi-national companies (Black and Gregersen, 1991; Naumann, 1992). Bhagat and Prien (1996) suggested that expatriate failure might not only have negative consequences for the expatriate and the parent-company, but also for host country nationals, and that the financial costs of such failure might exceed the costs for the remuneration and travel costs of the expatriate. Researchers have discovered that a number of managers who remained expatriated were considered ineffective by their parent organizations (Copeland and Griggs, 1985; Black et al, 1992). These expatriates might do more damage than those who returned prematurely (Copeland and Griggs, 1985).

The majority of past research on the phenomenon of expatriate failure was based on the general assumption that early return to the home country or dismissal of an expatriate due to his/her "inability to function effectively in a foreign assignment" (Tung, 1981) was expatriate failure. Also Hill (1998) and Mendenhall and Oddou (1985) defined expatriate failure as the premature end to the assignment. Biscoe (1995) suggested that early return or dismissal were mainly caused by poor performance of the expatriate in the foreign assignment, personal dissatisfaction of the expatriate with the experience, inability of the expatriate to adjust to the unfamiliar host-country environment, and the expatriate not being accepted by the host-country subordinates and peers.

Tung's study (1981) was among the first studies dealing the managerial context of expatriate failure. Other early research on expatriate failure lacked generalizability, such as the study of expatriate Peace Corps volunteers and not expatriate managers (see Kealey and Ruben, 1983).

Recently, the concept of expatriate failure was critically discussed by Christensen and Harzing (2004). "However, we must realize that what might be regarded as an expatriate failure from an organizational perspective, might not be an expatriate failure to the expatriate and vice versa" (Christensen and Harzing, 2004). They argued that the premature end of an expatriate assignment was not necessarily an expatriate failure, and called for a more meaningful research about "expatriate failure in the general context of performance management and prevention of dysfunctional turnover" (Christensen and Harzing, 2004).

Foster and Johnsen (1996) suggested that improved selection of expatriates, organizational support of expatriates and their families, and training of expatriates would increase the ability of the expatriate to live and work in the unfamiliar host-country environment. The common definition of expatriate failure as premature end of the foreign assignment due to the inability to adjust to the unfamiliar host-country environment (Tung, 1981; Mendenhall and Oddou, 1985; Hill, 1998) had resulted in past research to focus on selection (Forster and Johnsen, 1996; Teagarden and Gordon, 1995; Borg & Harzing, 1995; Borg, 1988; Hamill, 1989; Harvey, 1985; Zeira & Banai, 1985; Torbiorn, 1982) of these expatriates with the ability to adjust and training (Forster & Johnsen, 1996; Coyle and Shortland, 1992; Brewster, 1988; Earley, 1987; Tung, 1982) of expatriates to facilitate adjustment to the foreign environment. Some studies included prescribing adjustment of spouses (Julius, 1992) if they accompanied the expatriate to the foreign location. A large number of past discussions in literature related the ability of the expatriate to adjust to the host-country mainly to skills dealing with awareness of cross-cultural differences (Hofstede, 1980, 1991, 2001; Trompenaars and Hampden-Turner, 1993, 2005; Hall, 1959, 1966, 1976; Coyle and Shortland, 1992; Adler, 1997; Black et al, 1991; Black and Mendenhall, 1990; Bhagat and Prien, 1996).

From this preliminary literature review a narrow scope on expatriate adjustment to the host-environment as the main cause for expatriate failure is observed, besides a few isolated studies about other possible causes. The following sections present and explore the literature about the following issues in the context of expatriate failure:

- Ability of the expatriate to adjust to the unfamiliar Environment
- Cross-cultural differences
- Expatriate performance evaluation
- Roles and abilities of host-country employees
- Roles and abilities of parent-country employees
- Roles and abilities of mentors
- Proposed framework

2.2 Ability of the Expatriate to adjust to the unfamiliar Environment

This section discusses studies that emphasized the relationship of the expatriate's ability to adjust to the unfamiliar living and working environment in the host country.

International human resource practitioners emphasized selecting and training expatriates before the assignment, focusing on their ability to adjust to the host-country specific environment (Caligiuri, 1997). In the pre-expatriation stage candidates had to be trained on awareness of cultural differences as broadly presented and discussed (e.g. by Hofstede, 1980, 1991, 2001; Trompenaars and Hampden-Turner, 1993, 2005). Many multi-national companies offered cross-cultural training that were meant to facilitate adjustment by developing the expatriate's awareness of norms and behaviors that were appropriate in the host country (Black and Mendenhall, 1990).

Suggesting that cross-cultural skills of the expatriate had impact on job performance, Black, Mendenhall and Oddou (1991) strongly recommended pre-departure training to prepare expatriates better for challenges they faced overseas. Despite such recommendations, Chen et al (2005) observed that it was not uncommon that if expatriates were totally unprepared they made even more serious mistakes that caused damage to the overseas organizations and suggested appropriate training as a pre-requisite for each expatriate assignment. From the suggestions of the researchers in this paragraph mentioned above one might tend to assume that expatriate failure depended solely on the skill-level of the expatriate.

Pre-departure cultural training helped expatriates develop realistic expectations on living and working in the host country (Black and Mendenhall, 1990). While on the one hand pre-departure cross-cultural training could help the expatriate overcome uncertainties, on the other hand it could create stereotypes which might lead to inaccurate evaluation of situations (Adler, 1997). Morris and Robie (2001) stated that popular frameworks of cultural differences (for example: Hofstede, 1980) were built on the belief that all cultures could be classified as a function of a number of dimensions, and that cross-cultural training, even though widely described, had much weaker effectiveness than expected. The way of presentation of the cultural training was critically analyzed by some researchers (Worchel and Michel, 1972; Harrison, 1992). They prescribed that studying actual culture-related incidents from the host country environment instead of area studies. Selmer (2002) addressed that the way of delivery of the training was more critical than the time. In a survey of Glick (1992) about one third of the respondents (host employees) whose superior (expatriate) had culture training (area studies) were less satisfied with their superior's leadership style which suggested that the way the training was presented played an important role. The studies described in this paragraph generalize the emphasis on cross-cultural training without analyzing under which circumstances this was recommended, for example when parent-country and host-country were culturally very different or little different, or for example when the expatriate reported to long ago established regional headquarters in the host-country instead of to the parent-country headquarters.

While Tung (1982) identified a clear negative correlation between lack of training and expatriate failure, Selmer (2002) found no relationship between cross-cultural training and how successful expatriates were in their assignments. Instead of pre-departure training at a time when the expatriate had not yet experienced the host environment, post-arrival training might be a considerable alternative but in the real business life situation it might be less favorable to expatriates as it would take them away from their jobs (Selmer et al, 1998). So far no recent studies have tested the hypothesis that poor performance of expatriates was related to cultural adjustment adequately (Aycan and Kanungo, 1997). Shay and Baack (2004) discussed the relationship between overall adjustments and performance outcomes. They distinguished between two main reasons for the assignment, control and innovation. Depending on the reason, different training and qualification were required that lead to different outcomes. This perspective suggested that the expatriate, if trained and qualified, necessarily was able to control the environment.

This section has mentioned various studies that suggested that the expatriate's ability to adjust to the unfamiliar living and working environment in the host country was directly related to expatriate failure. While a large number of articles and texts stated that the expatriate's ability to adjust was related to expatriate failure, a few notable studies have suggested that this relationship was not yet sufficiently tested. Overall the bulk of literature over-emphasizes the inability of the expatriate to adjust to the host-environment as the key cause and neglects to include other possible factors into the set of explanations.

2.3 Cross-Cultural Differences

This section investigates some key literature which claims that cultural differences are a major constraint for expatriate's adjustment.

Elements from key studies about national cultural differences such as presented by Hofstede (1980) have been widely used as evidence for recommending mandatory cross-cultural training for the expatriate in the pre-departure stage. Assuming that the expatriate was aware of the differences, advocates of cross-cultural training stated that only the prepared expatriate would find a moderate way to get things done to achieve the goals set by the parent company. Hofstede (1980) defined dimensions of national culture behavior that could influence work-related behavior even stronger than organizational culture. He determined the degree of individualism, the degree of power distance, the degree of comfort with uncertain disturbances, and the degree of masculine relationships in different national cultures. His findings are supported by comprehensive empirical evidence, based on surveys conducted from 1973 – 1978 on 116,000 employees of IBM in 40 countries. His study combined prior non interrelated works of Hall (1959, 1966, 1976) and others. In 1991 Hofstede added another dimension, the degree of time-orientation (Hofstede, 2001). With his model Hofstede (1980) provided a framework to identify national cultural differences.

Hofstede's method was criticized for providing too stereotyped views of national culture (Trompenaars and Hampden-Turner, 1993). Trompenaars and Hampden-Turner (1993) suggested expatriates should be combining ("reconciling") differences to more effective performance rather than changing or shipping around differences. The leaders of an organization had to define what was an excellent performance based on the evaluation of what the different cultures could achieve together (Trompenaars and Hampden-Turner, 2005). Explaining the impact of culture on business, Trompenaars and Hampden-Turner (1997) argued that management theories could not be applied universal because management solutions and education of modern managers were mainly based on Anglo-Saxon principles. Every culture distinguished itself from others by the specific solution it chose to a certain problem. Trompenaars and Hampden-Turner (1997) argued that the one "best" way did not exist. They also observed a preference of certain national cultures to certain corporate cultures.

Adler (1997) stated that cultural differences were not only relevant at the group level but also at the individual level, which meant that despite training about the typical cultural behavior of one national cultural group, the expatriate would still have to identify the individual differences within one national cultural group. This statement recognized individual differences and challenged stereotyped views about typical national behavior.

Thomas and Inkson (2004) argued that Hofstede failed to address how much cultural values may vary across individuals. Instead of using stereotyped views, they emphasized the development of cultural intelligence among individuals and organizations in order to be more flexible in adapting to specific work related cultural factors. They agreed with Hofstede that certain differences existed between national cultures, but they emphasized the same as Adler (1997) that these differences might vary between individuals within one national culture. Access to information about foreign cultures, experience in working abroad and with other culture's nationals, and the level of individual sensitivity for cultural diversity produced different attitudes and results in individuals in interactions. Thomas and Inkson (2004) defined the ability to distinguish individual behavior within cultures as "cultural intelligence".

A different view on using knowledge about cultural differences was presented by Holden (2002) who suggested that cross-cultural knowledge should be transformed into organizational knowledge instead of solely identifying differences and similarities between cultures. His study explored relationships between cultural factors and achievement of business goals. Collaborative learning, knowledge-sharing and learning from each other involved not only the expatriate but the other members, such as host country employees, as well in the goal setting and achievement process.

In summary, studies such as by Hall (1959, 1966, 1976), Hofstede (1980, 1991), Trompenaars and Hampden-Turner (1993), Holden (2002), Thomas and Inkson (2004), provided in-sights that working with people from other nationalities required awareness

of differences. Lewis (1996) suggested that knowledge about cultural differences helped predict behavior of people from other nationalities in specific work situations.

This section has investigated the literature that identifies cultural differences. Most of the studies identified cultural differences between specific countries and suggested that being aware of such differences international managers would get a better understanding of the other culture. While the literature in this section about the study of cultural differences did not limit learning of cultural differences to expatriates only, a large number of studies explaining expatriate failure prescribed cross-cultural training for the expatriate only.

2.3.1 Cultural Differences between Germany and China

Since the research in this dissertation will analyze the specific issues and relationships between participants from cultures that are described as very different and their possible impact on expatriate failure, the following section explores key literature attempting to identify the basic differences between the two national cultures involved in this research, German and Chinese.

Surveys for IBM from 1973-1978 and some recent additions, Hofstede (2001; Hofstede and Hofstede 2005) presented differences in thinking and social action that existed among members of more than 50 nations. He structured his analyses around five dimensions: power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity, and long-term versus short-term orientation (Hofstede, 2001).

Hofstede (2001) defined high power distance as behavior of employees who frequently were afraid of disagreeing with their boss, who preferred a boss who decided everything for them. Individualism was based on the view of people that business was made by the company and not by persons, and having a job that left sufficient time for

personal life, having a challenging job and considerable freedom of choosing an own approach while collectivism preferred having good working conditions and providing frequent opportunities for improving skills. Uncertainty avoidance was defined as extend to which nationals of the same culture felt threatened by ambiguous or unknown situations. Long-term orientation had focus on future rewards, respect for circumstances and sustained effort toward slow results while short-term orientation focused on efforts that produced quick results (Hofstede, 2001).

Results from Hofstede's study (see: Hofstede and Hofstede, 2005) showed that the behavior of German nationals and Chinese nationals on four of these five dimensions were often very different. Out of surveys from 74 countries, on the dimension of power distance Germany rated 63 while China rated 12. On the dimension of individualism-collectivism Germany was individualistic (18) while China was collectivistic (56). On the dimension of uncertainty avoidance Germany was moderately (43) while China low concerned of uncertainties. Out of 39 countries Germany rated 25 (moderate short-term orientation) while China 1 (extremely long-term orientation) on the orientation on time (Hofstede and Hofstede, 2005). But both countries had equal ranking on the dimension of masculinity (Hofstede and Hofstede, 2005).

The majority of research on expatriate adjustment to cultural differences was conducted in Anglo-Saxon environments. The generalizability of the results can be challenged when understanding how different U.S. nationals may behave on some dimensions from Germans. On Hofstede's dimension of uncertainty avoidance U.S. nationals (rank 62) were not far away from Chinese (rank 68) while German nationals (rank 43) was not even close to the U.S. rank, on the dimension of individualism-collectivism USA ranked first versus Germany as number 18 and China as 63 (Hofstede and Hofstede, 2005).

This section has explored how a key study identified major cultural differences between German and Chinese nationals. As discussed previously these differences identified cannot be generalized ('All Germans are like that', 'All Chinese are like that'), but

support understanding the complexity issues that may be contributing to expatriate failure.

2.4 Expatriate Performance Evaluation

2.4.1 Evaluation Practices

The following section critically discusses expatriate performance evaluation methodologies and practices.

Little attention has been paid to expatriate performance evaluation methodologies (Gregersen, et al, 1995; Mendenhall and Oddou, 1991; Black et al, 1992). Expatriate performance appraisals were done similar to domestic practices of the parent country (Gregersen et al., 1996). Gregerson et al (1996) found that hard criteria, such as market share and profits, were usually easy to collect, but using these hard criteria to compare the expatriate's against domestic managers' performance might be somewhat unfair. In the international context soft data were difficult to collect and to interpret, and were subject to raters' errors, biases and cultural differences (Mendenhall and Oddou, 1991). Contextual factors that influenced performance and were beyond the control of the expatriate had to find consideration in expatriate performance evaluations (Peters et al, 1985), but the parent country head office staff and the expatriate's parent-country superior might not have the ability to interpret such contextual data or might not even be aware of these (Gregersen et al, 1996). Mendenhal and Oddou (1991) concluded that experience of previous expatriates was contributing to better understanding and evaluation.

Expatriate performance was more difficult to be evaluated and understood outside its global and organizational context (Landy and Farr, 1980) since overseas assignments involved a variety of situational variables that differed from domestic assignments (Murphy and Cleveland, 1991). All foreign assignments were not created equal

(Naumann, 1992). Expatriate assignments required effective performance dimensions beyond task performance (Caligiuri, 1997; Gregersen et al, 1996).

The view “domestic equals overseas performance” was common among parent-company superiors (Mendenhall and Oddou, 1985). Rollyson (2006) emphasized that the parent organization perceived the goal of an expatriate mostly financially, such as a certain percentage of growth or productivity in a certain period, while the real goal of the expatriate was primarily an extremely human one. No other goal could be met unless the human part was right (Rollyson, 2006).

This section explored some differences between evaluation of performance in the domestic environment and performance in a foreign environment, and discussed critically methodologies and practices of expatriate performance evaluation. But there is a lack of studies measuring the relationships of the use of inappropriate methodologies to expatriate failure. As discussed before, expatriate failure as rated by the parent organization might not necessarily be expatriate failure in the view of the expatriate.

2.4.2 Ability of the Parent-Country Superior to rate the Expatriate

This section explores the impact of the ability of the parent-country superior to rate the expatriate’s performance in terms of success or failure.

Barrett (1966) observed critically that often the evaluation of expatriate performance depended more on how the superior thought it was achieved rather than how it actually was achieved. Latham and Wexley (1994) argued that the subjectivity and bias in supervisors’ evaluations were the result of limited opportunities where the superior actually saw the expatriate in the job. Most commonly, raters were those posted in the parent home country office (Gregersen et al, 1996) and had therefore no opportunity to make frequent observations of the expatriate in the job.

Mendenhall and Oddou (1991) observed that immediate superiors were usually considered well qualified to evaluate the expatriate's overall performance. There might be difficulties to support this argument in situations when the direct superior was a parent-country superior who had only a few encounters with the expatriate during the year.

This section discussed statements from literature about factors that limited the parent-country superior's ability to evaluate the expatriate's performance correctly. Before searching for reasons of expatriate failure it is necessary to make sure that the one who evaluated the expatriate's failure was free of bias and possessed the necessary skills and experience to rate the expatriate's performance in the foreign work-environment. There is a lack of research that provides evidence of relationships between serious misevaluation due to inability of the parent-country superior and expatriate failure.

2.4.3 Ability of multiple Raters to rate the Expatriate

This section discusses the advantages and disadvantages of an alternative method of evaluating the expatriate, such as by multiple raters.

Caligiuri (2000) suggested that the judgment if the expatriate had accomplished the goals and objectives set by the parent should be based on a multi-source assessment by a number of experts, including the expatriate. This might avoid bias. Data of Gregersen's et al (1996) study of expatriate performance appraisals in U.S. multinational firms suggested that a balanced set of host country and home country raters as well as higher frequency of appraisals contributed to perceived accuracy of these appraisals, but understanding of the expatriate's working environment was not always available by all raters. For example, not by those raters who were inexperienced with foreign assignments and did not know contextual factors stemming from the complexity of foreign culture and relationships (Murphy and Cleveland, 1991). Black et

al (1992) assumed that multiple raters might contribute to a more fair evaluation because they might have different relationships to the expatriate that could minimize bias and errors.

On the one hand, using multiple raters, such as from the host and parent country, might reduce errors and bias, but on the other hand, using multiple raters could cause another problem, such as the difficulty to come to a meaningful evaluation if there were major disagreements between their different perspectives (Harris and Schaubroeck, 1988). Also Mendenhall and Oddou (1991) drew attention to the potential problem that perspectives of host country employees might be culturally biased. Conway and Huffcutt (1997) investigated how subordinates, peers, supervisors and expatriates rate job performance, and found that the different sources had somewhat different perspectives on performance. Ratings of host-country peers and subordinates had lower reliability than the ratings of superiors. Thus, critical was the selection criteria for peers and subordinates in the rating process (Conway and Huffcutt, 1997).

Another factor influencing quality of performance evaluations was, as research showed, conducting performance evaluation only once or twice a year was insufficient (Cardy and Dobbins, 1994; Cascia, 1986).

This section discussed the method of evaluating the expatriate by multiple raters. This method is not necessarily better if the multiple raters had a limited or biased view on the expatriate's performance. There is a risk that the expatriate is measured against contradicting goals due to different interests of multiple raters, and that the overall result is not satisfactory. The contingencies and accuracy of evaluations by multiple raters versus evaluations by parent-country superiors have not been sufficiently tested yet.

2.5 Roles and Abilities of Host-Country Employees

Numerous works investigating the relationships of the role and abilities of host-country employees to expatriate failure are discussed in this section.

While a large number of studies focused on how to prepare the expatriate to adjust better to the cross-cultural environment (e.g. Morley et al. 1999; Aycan, 1997a, 1997b; Robie and Ryan, 1996; McEvoy and Parker, 1995; Black et al, 1991), the preparation of the host-country employees was often ignored by multi-national companies (Vance and Ring, 1994). If host-country subordinates and managers' counterparts would better understand the cultural background of the expatriate, and the parent country superior would aware of the cross-cultural issues the expatriate is exposed to in his new work environment, the impact on job-performance of the expatriate may be positive (Aycan, 1997a). If the host-country workforce was cross-culturally trained, a higher cultural tolerance was created which improved the effectiveness of the expatriate during his/her assignment (Cox, 1994).

Vance and Ring (1994) called for greater research on host country employee training in cross-cultural skills. The authors stated that multinational companies did not pay enough attention to the training of this group. Other studies explored how much the level of knowledge of parent-company superiors and colleagues of the expatriate about host-country working environment has impact on the expatriate's effectiveness (Shaffer et al, 2001, Tsui et al., 1997).

When exploring effects of host country nationals on expatriate effectiveness, Liu and Shaffer (2005) observed that host country national's intercultural competencies and reliable abilities affected expatriate performance directly. Overall, cultural empathy and sensitivity, the interest in others and their thoughts and feelings were important input to adjustment to each other (Hawes and Kealey, 1981).

Erickson et al (1988) stated that stronger ties to host country nationals were more likely to be supportive. Social interactions between the expatriate and host country national subordinates, same level managers and other expatriates in the host company enhanced or constrained performance (Brass, 1984; Au and Fukuda, 2002; Caligiuri, 1997; Shaffer and Harrison, 2001). Social networks are defined as the set of relations, linkages and ties among people that enabled access to resources and information (Hoang and Antoncic, 2003). For example, if the expatriate's main goal was the transfer of knowledge, relationships established among workgroups, such as among the expatriate and host country national subordinates played an important role (Riusala and Suutari, 2004). Homans (1961) stated that all parties in a network were expected to contribute to the exchange. Thus all actors in the international work setting, expatriates and host country nationals had to possess intercultural competences to facilitate their relationships (Harvey and Griffith, 2002). Expatriate researchers focused on these relative to the expatriate only (Aycan, 1997b).

The expatriate's adjustment to the different environment was also influenced by what sources of information he/she had access to. Louis et al. (1983) argued that newcomers, in this case the expatriate in a new environment, relied often on information provided by co-workers and subordinates. This enhanced understanding of the host situation but bared the risk of being manipulated. Richards (1996) portrayed expatriates as prone to wrong perceptions and even paranoid behavior. It depended to a certain degree on how local subordinates and peers were willing to build up relationship with the expatriate.

Lui and Shaffer (2005) observed that host country nationals' empathy had strong impact on expatriate performance. They suggested training programs for host country nationals which included learning about the parent organization's culture.

Sanchez and Brock (1996) explained low organizational commitment and performance of host country subordinates with their perception of employment or race discrimination, which could be created by not understood preference and favorable treatment of expatriates over local employees. Usually expatriates were paid much

higher than locals in the same position which was perceived as inequity by host country employees (Hailey 1996). Some locals saw expatriates as rivals and blocking their career-advancement opportunities (Watanabe and Yamaguchi, 1995). As a reaction to perception of rivalry or inequity host employees withheld vital information against the control-oriented expatriate (Pucik and Katz, 1996). Some local employees displayed collective behavior of workplace hostility where locals created an in-group and treated expatriates as out-group (Florkowski and Fogel, 1999; Toh, 2003).

Also reactions of host country national subordinates to expatriates' management style had direct impact on support for expatriates and expatriates' performance (Selmer, 1995). In a study among host country subordinates in Hong Kong, Selmer (1996) found that it is possible that host country nationals appreciate the leadership style of certain other nationalities, such as American and British, more than the leadership style of other nationalities. Barham and Devine (1990) observed that when host subsidiary's subordinates were unwilling to accept foreign managers it had direct impact on expatriate effectiveness. Greenwald (1995) found cases of host units' resistance to expatriates and host nationals' bias against foreign ownership.

Vance et al (1993) argued that there is a strong need for training of host country subordinates to bring their attitudes, perceptions and skills to a level of support for the expatriate, and Ayman (1997a) advised systematic cultural diversity training for local units prior to the expatriate's arrival. Not only host country nationals should be aware of the parent organizational culture (Cui and Awa, 1992). In fact all actors in the international work setting, including home office staff and home superior, needed a set of intercultural competences that facilitated their relationships (Harvey and Griffith, 2002). Expatriate researchers focused on these factors related to expatriates only (Ayman, 1997b). Liu and Shaffer (2005) suggested training that enabled host country nationals learning to understand the parent company culture. A different view that host country subordinates would need cross-cultural training was provided by Ess and Sudweeks (2005) who pointed to the growing influence of the internet. In their opinion, individuals in other countries used increasingly the Internet to observe and imitate a

new lifestyle from abroad and this way the Internet showed influence on traditional behaviors.

Besides training of cultural differences and understanding the treatment (such as pay and housing) of expatriates, local employees had to be educated about the strategic intend of the expatriate's assignment to enhance their cooperation and support to the expatriate (Pucik, 1988). More in detail, Gouttefarde (1992) suggested that multi-national corporations had to inform host country nationals timely about the reasons for injecting expatriates into their organization and to enhance cultural awareness of host country employees. In order to win support, host nationals should be made owners of the socialization process of the expatriate (Gouttefarde, 1992).

This preceding section explored how the numerous relationships of host-country employees contributed to expatriate failure. Some studies stated that the need for preparation of host-country nationals to work with an expatriate was widely underestimated and suggested that not only the expatriate but also the host-country nationals should be trained cross-culturally. Besides cross-cultural training, some literature also emphasized that pre-arrival information of host-country employees on goals, role and responsibility of the expatriate had impact on the level of support of host-country employees for the expatriate. Overall the reviewed studies described that when the parent-country organization did not involve host-country employees in the preparation of an expatriate assignment it contributed to expatriate failure. So far besides isolated discussions about host-country employee issues, most key literature describing the phenomenon of expatriate failure failed to include the impact of the host-company employees on the outcome of an expatriate assignment.

2.6 Roles and Abilities of Parent-Country Employees

This section examines various aspects of roles and abilities of parent-company employees in general, not only the parent-country superior, related to expatriate failure.

In addition to preparatory training for the expatriate organizational support and guidance around sensitive issues from parent-country employees, such as the parent-country superior, the parent-country human resource organization and other home-office managers who worked with the expatriate, play an important role (Sergeant and Frenkel, 1998). Important impact on performance was evident in the relationship of the parent-company in their role as employer of the expatriate (Tsui et al., 1997). Shaffer et al. (2001) observed how the expatriate psychologically withdrew when perceiving lack of organizational support. Perceived organizational support is the belief of expatriates that the firm is willing to spend resources on support (Hutchingson, 1997). Perceived organizational support had significant impact on expatriates' commitment, and little attention has been given to expatriates' perception on support (Guzzo et al, 1994).

First time expatriates needed more support from their superiors while those who had previous experience were able to withstand culture novelties better (Shaffer et al, 1999). The relationship between home country superior and expatriate could get critical when the superior had no or little knowledge about the work environment of the expatriate, and therefore the home country superior should help keep the expatriate visible by regular visits (Mendenhall and Oddou, 1991). But Oddou (1991) found that often expatriates felt that in fact nobody in the parent company cared them anymore as soon as they are abroad. This symptom is called "Out of sight, out of mind." The parent company has to take responsibility to understand the environment in which the expatriate is acting and on how to provide best support.

Kraimer et al. (2001) examined the effects of organizational support, leader-members-exchange (LMX) and spousal support, and cross-cultural factors on expatriate adjustment and performance. They found empirical evidence that organizational

support had direct impact on performance and recommend expanding support from pre-departure cross-cultural training to ongoing supports, such as psychological counseling, stress management programs, among others. Leader-member exchange refers to the quality of the interpersonal relationship between an employee and his/her superior (Graen, 1976). High LMX relationships included loyalty, liking, professional respect and contributory behaviors towards meeting mutual goals (Liden and Maslyn, 1998). From a social exchange perspective, all parties in a network were expected to contribute to this exchange (Homans, 1961). Research by Tsui et al (1997) showed that a better balanced employer-employee relationship enhanced performance.

Organizational support had been related to greater expatriate effectiveness (Aryee and Stone, 1996; Kraimer et al, 2001; Black and Gregersen, 1991; Shaffer et al, 1999). Chen et al (2005) studied the elements of organizational support that were most commonly provided to the expatriate and found that emphasis was limited to relocations support, such as adequate training of the expatriate and family members, compensation, family assistance, repatriation and career planning.

Research on the impact of organizational support is lacking in the International Human Resource Management (IHRM) literature. It is important to examine the consequences of unintended careless attitudes of parent-country managers toward the expatriate and the host-country organization when it comes for example, to ambiguity of communicated goals, responsibilities and trust. Trust is defined as the confidence in another's good will (Ring and Van de Ven, 1992). When individuals trusted one another they were more willing to make commitments (Ring and Van de Ven, 1992; Tyler and Kramer, 1996). The length of time an expatriate had served the parent company and how long the expatriate has known the key executives in home country and host country had strong impact on commitment and trust, and on performance (Gregersen and Black, 1992).

The international work environment is often described as less trusting because of different cultures and expectations (Johnson and Cullen, 2001). Often employees in the

parent-companies assumed that the rules of good business were the same everywhere and once an expatriate was in place, it was the expatriate's responsibility alone to execute those rules (Black and Gregersen, 1999). Management practices that were favored in the home country were often likely unwise in countries culturally dissimilar to it (Triandis, 1982; Hofstede, 1993). What worked in one country had probably little effect or even negative effect in another national context (Black and Porter 1991). A management system had to suit to its cultural context (Morris and Pavett, 1992).

Often companies viewed their expatriate only to help on an immediate and short-term business problem (Black and Gregersen, 1999). When roles were not clarified in advance and not communicated to all related parties, such as the host-employees, Black and Gregerson (1991) found that for expatriates role clarity, role discretion and role conflict were significantly related to work adjustment. Sagiadellis et al (2004) stated that role clarity was linked with expatriate success. Uncertainty in a new environment were reduced when providing the candidate and host-employees clear guidelines regarding jobs and expectations from the expatriate (Brett, 1980).

The overall quality of superior support might affect organizational commitment and performance (Steers and Porter, 1991). Gregersen and Black (1992) pointed out that expatriates may place greater emphasis on fitting into the host and mastering its challenges when there was no one back home to protect their standing in home operations. Kobrin (1988) observed that headquarters managers underestimated the importance of the local socialization and political factors and placed too much emphasis on standardization and rationalization. Headquarters managers expected expatriates to be more likely responsible to the objectives of headquarters management than host country nationals and saw in them an effective vehicle to exercise control (Kobrin, 1988). It had come to situations in which parent country offices and host subsidiaries had major disagreements. These were indicators for less organizational commitment and causes of expatriate failure (Gregersen and Black, 1990).

This section examined critically aspects of roles and abilities of parent-company employees that related to expatriate failure. Numerous isolated works discussed effects of the lack of the parent organization's support. In most studies, organizational support was limited to organizing cross-cultural training for the expatriate and spouse, designing a comfortable remuneration package, and relocation support. Few studies found that the personal support of the parent-country superior for the expatriate had critical impact on expatriate performance. There is a lack of literature exploring negative impact on expatriate performance created by ambiguously communicated goals, responsibilities and trust. Also there is a lack of literature examining the relationship between the cross-cultural ability and experience of the parent-company managers who work with the expatriate and expatriate failure.

2.7 Role of Mentors

This section introduces the idea of using mentors to enhance adjustment of expatriates and discusses the relationship of mentors to expatriate failure.

Scholars, such as Kraimer et al. (2001) and Feldman and Bolino (1999), suggested the use of mentors in the host facility to facilitate better expatriate adjustment. Mezias and Scandura (2005) argued that some headquarters did not possess the knowledge and resources to provide better support to the expatriate, and the expatriate seemed powerless and overwhelmed by being the only one who was expected to initiate all the changes in the host-company. Therefore they suggested that the use of multiple mentors could support expatriate effectiveness better. They did not only focus on the benefits of mentoring during pre-departure and repatriation stage, but also during the expatriation term. Mezias and Scandura (2005) referred to Higgins and Kram (2001) who viewed the mentor as part of a relationship network in order to meet different needs. Higgins and Kram (2001) suggested that mentors, if they were peers in the host-country, could better facilitate relationships between expatriate and host-country work environment.

Also mentors placed in the home-country office would enhance expatriate managers' experiences and reduce stress (Feldman and Thomas, 1992; Harvey and Wiese, 1998). Mentoring is developing relationships of relatively long duration in which the protégé received a range of career and psychological help exclusively from one senior manager (Whitely et al, 1991). Besides helping expatriates to adjust (Feldman and Thomas, 1992) mentors represented the expat's interest (Webb, 1996) in the home-country office and helped reducing uncertainties (Webb, 1996). Harvey and Wiese (1998) recommended the use of multiple mentors, in the home-country office as well as in the host-country company.

In practice the use of mentors was not always effective. In a study by Jassawalla et al (2006) expatriates complained about the narrow scopes of their mentors and that they often had not the necessary authority, such as a senior management role, were often unfamiliar with the home office working environment and had a lack of knowledge of the cultural differences between host and home company. Expatriates voiced that mentors in the host locations should also have the necessary authority and should belong to the local management team (Jasawalla, 2006). An important role played mentors in the home-country office as they had to ensure that expatriates were not out-of-mind in the home company (Jasawalla, 2006). Poor performance of mentors hurt expatriate performance (Jasawalla, 2006).

By reviewing literature on existing isolated research about mentoring and expatriate management Mezias and Scandura (2005) developed a framework explaining how multiple mentors would improve expatriate adjustment. Mezias and Scandura (2005) found that there existed different relationships with mentors, for example formal relationships with a more short-term focus, and informal relationships with a more long-term focus disregarding the actual work assignment. The authors supported the argument of Kram (1985) who stated that expatriates needed several mentors with different expertise during different stages of their expatriate assignment. Also Higgins and Kram (2001) had developed a concept to view mentors as part of a relationship network meeting different needs of the expatriate.

This section discussed the complex issues to be observed when using mentors. Most literature emphasized mentors, single or multiple, as support of the expatriate. Only a few articles suggested the use of mentors also for the other players in the expatriate assignment, such as the parent-country managers who worked with the expatriate or host-country employees. Literature described mentoring as a very complex process and therefore it required involvement of multiple mentors which may have limited practicability. This is because companies might not have the necessary resources, such as multiple suitable persons that could act as mentors and such as costly budgets to finance multiple mentors.

2.8 Proposed Framework

This chapter has presented a review of literature related to expatriate failure. Previous research has often explained the failure of an expatriate assignment as a result of the inability of the expatriate to adjust to the unfamiliar host-country environment (Shaffer et al, 1999; Caligiuri, 1997; Briscoe, 1995; Mendenhall and Oddou, 1985; Tung, 1981). Literature exploring why the expatriate was unable to adjust to the unfamiliar environment focused intensively on expatriates' awareness of cultural differences, on expatriate spouses' ability to adjust to the host-country if they accompanied the expatriate, and on expatriates' perception of organizational support (Chen et al., 2005; Kraimer et al., 2001; Shaffer et al., 1999; Hill, 1998; Forster and Johnsen, 1996; Bhagat and Prien, 1996; Coyle and Shortland, 1992; Black et al, 1991; Mendenhall and Oddou, 1985; Tung, 1981). Besides this main stream literature, other non-integrated research explored how the level of host-country employees' understanding of cultural differences and how relationships of host-country subordinates with the expatriate affected expatriates' ability to adjust to the new environment (Liu and Shaffer, 2005; Shaffer et al., 2001; Tsui et al., 1997; Aycan, 1997b; Vance and Ring, 1994). Other non-integrated studies discussed how the use of mentors affected the expatriate's adjustment (Jasawalla, 2006; Mezias and Scandura, 2005; Kraimer et al., 2001; Higgins

and Kram, 2001), and some looked critically at the issue how to evaluate expatriate performance (Caligiuri, 1997; Gregersen et al., 1996; Gregersen et al, 1996; Mendenhall and Oddou, 1991).

Past literature is rather fragmented and needs to be integrated into one model to gain a more comprehensive understanding of expatriate failure. Figure 1 represents a schematic integration of various fragmented literatures on the relationships of the parties involved in expatriate failure. Parent-country managers, such as the expatriate's superior, the human resource manager and other involved home office managers, involved in selection, training and organizational support, are related to the expatriate's ability to adjust. Host-country employees and mentors are also related to the expatriate's ability to adjust. Finally, Figure 1 shows that all participants are related directly to the expatriate who, depending on the ability to adjust, produced the result of the expatriate assignment. If unable to adjust, the result was rated expatriate failure.

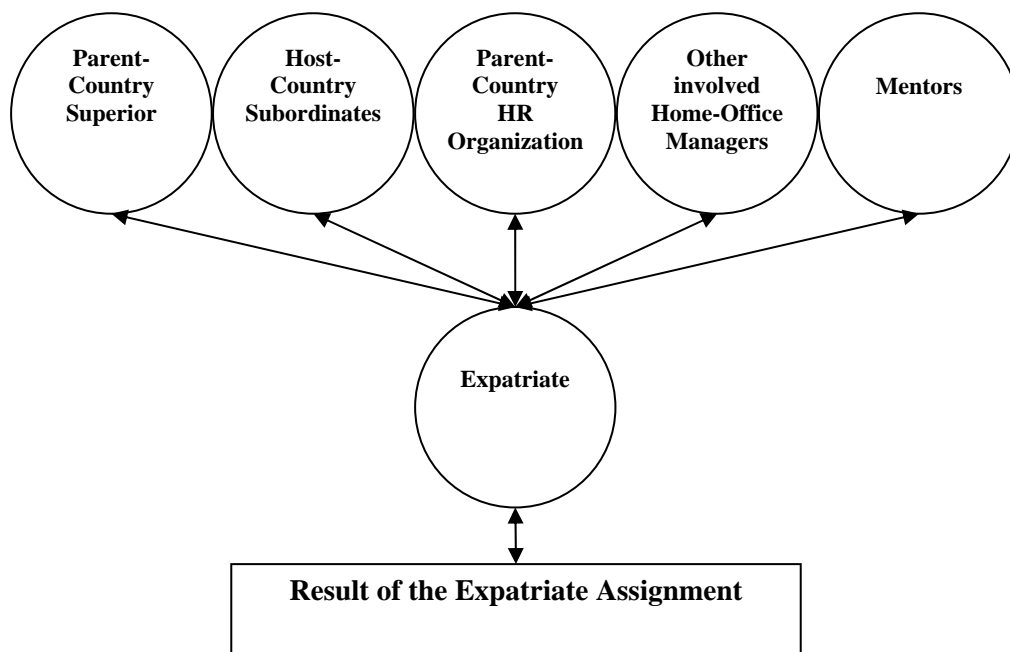


Figure 1: Framework from Literature

The result of an expatriate assignment is caused by the multi-players who influence the expatriate's ability to adjust to the unfamiliar environment.

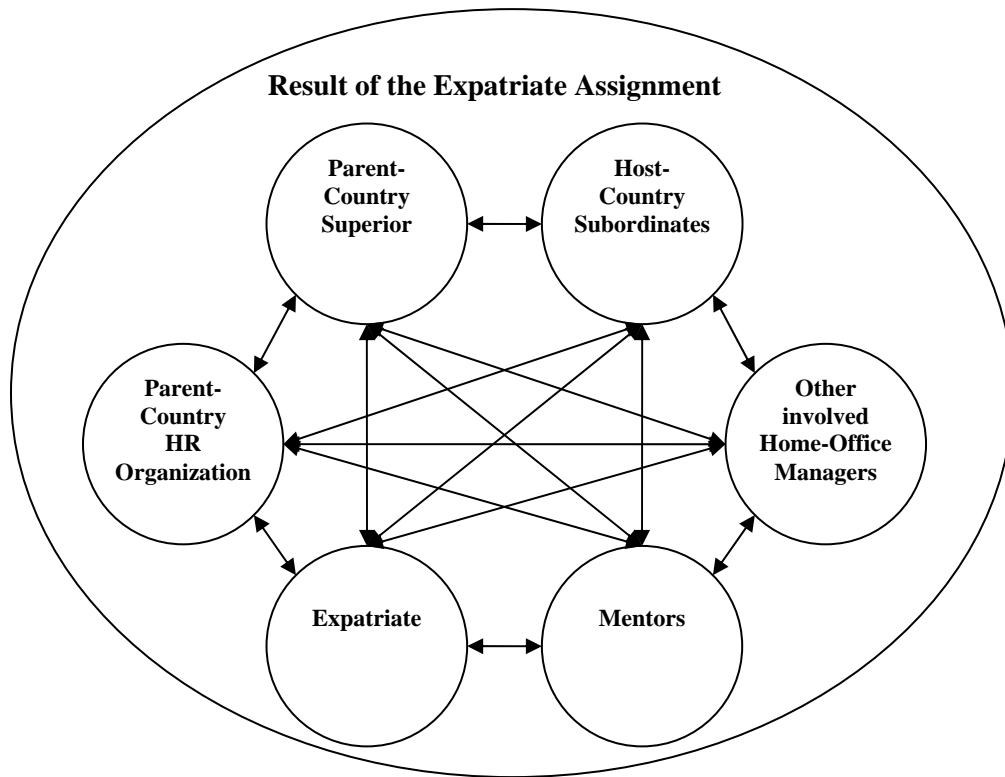


Figure 2: Proposed Frame-Work

The proposed framework suggests that the result of an expatriate assignment depends on the ability of all multi-players to adjust to each other.

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. Expatriate assignments are too complex in nature to be owned by the expatriate alone. This present research proposes a framework, Figure 2, in which the result of an expatriate assignment as a result of multiple interrelationships between all participants involved in the expatriate assignment, such as parent-country superiors, host-country subordinates and expatriates, is explored. The proposed framework addresses the need for

higher awareness in understanding the interrelationships and the impact of all participants on the expatriation process. The framework goes beyond the past view that the expatriate, once ideally selected and trained, had the sole-ownership of the process.

The proposed framework, yet not tested, intends to provide a more holistic view than the other expatriate models in the past.

3. Chapter 3: Methodology and Design

3.1 Introduction

The objective of this chapter is to outline the methodology and design followed in the research. The chapter will explain the philosophy of the researcher, the selected research method, details of the research design and implementation. Limitations and ethical issues will also be addressed.

3.2 Philosophy of the Researcher

Research is a complex process. Therefore the researcher starts with identifying his belief, selected from three schools of thoughts, or also called paradigms (Kuhn, 1962), about how the research should be conducted and what the results should accomplish. The three paradigms are positivist research, interpretivist research, and critical research.

Positivist research emphasizes testing and measuring theory, is deductive, uses prior theory to generate hypotheses, is relatively structured, and the researchers are objective (Carson et al, 2001).

Interpretivist research emphasizes theory building, exploring meaning and understanding, is relatively unstructured or semi-structured, and the researcher is involved as instrument (Carson et al, 2001).

Critical research emphasizes empowering people to create a better world for themselves, and the researcher is involved to identify surface illusions and urges subjects to change the world (Cavana et al, 2001).

This research is about exploring meanings and gaining better understanding of the human beings involved in complex relationships that may cause expatriate failure and is not about testing and measuring theory. Also, it is not about creating a better world. Therefore, the researcher adopts an interpretive approach (Van Maanen, 1979) to seek an actual reality in a specific situation by achieving substantive meaning and understanding of how- and why-questions related to the problem under investigation (Denzin and Lincoln, 1998). This methodology involves the researcher as the one developing, guiding and observing the research. The interpretive qualitative research method delivers valuable insights and an in-depth understanding of a problem in a managerial context, and attempts to find reasons for a problem without prior judgment (Carson et al, 1998).

Social research can be conducted by quantitative or qualitative approaches. While quantitative approaches are used measuring objective facts, focusing on variables, separating theory and data, being independent of context, gathering many subjects, conducting statistical analyses, being reliable and value free, and the researcher is detached, qualitative approaches are used constructing a social reality or cultural meaning, focusing on interactive processes and events, being authentic, fusing theory and data, being situational constrained, basing on a few cases or subjects, being analyzed by thematically, and the researcher is involved (Creswell, 1994; Denzin and Lincoln, 1998; Marvasti (2004); Tashakkori and Teddlie, 1998).

Qualitative research designs, such as in-depth and open-ended research designs, may capture the complexity and the dimensions of decision making patterns within organizations best (Das, 1983). From several qualitative techniques (Patton, 1990; Denzin and Lincoln, 1998) the method of in-depth interviews (Minichiello et al, 1995) is selected for this study, because they focus on gathering detailed descriptions of the events, situations and interaction between people (Patton, 1990), as they really have happened in organizations and as people really have experienced them (Das, 1983) through mainly open-ended and semi-structured questions based on prior theory as a loose frame (Eisenhardt, 1989). By asking participants to share their rich experiences

and in-sights with the researcher in a non-threatening environment (Cooper and Emory, 1995), naturally but somewhat directed by semi-structured interviews (Patton, 1993), are favored in settings in which people are hesitant due to the sensitivity on the issues and in which confidence between interviewee and interviewer is an issue.

Neuman (1994) describes that in-depth, semi-structured interviews have no definitive beginning or conclusion, place the order of questions determined by the situation, provide often controversial views, and the interviewer encourages depth and sets the pace of the interview as the situation requires. Since these characteristics were consistent with the needs of this research, the methodology of in-depth, semi-structured interviews (Patton, 1990) was selected as the data collection method for this study.

3.3 Alternative Research Methods

Several alternative research methods were considered for the qualitative approach of this research.

One alternative method to explore causes and increase understanding of a specific phenomenon is case study research (Patton, 1990; Yin, 1994). Gathering rich descriptions about a case through in-depth interviews provides valuable insights about a unique event, but the approach of this study is not to explore one or multiple cases in depth. Instead, emphasis is on gathering multiple different experiences in similar situations.

Another alternative method is emerging grounded theory (Denzin and Lincoln, 1998). A wide range of literature is available explaining in-depth, often isolated factors that caused failures of expatriate assignments. Since this new study aims to provide a more holistic view by exploring the relationship of several elements in their complex context, grounded theory was not an appropriate approach.

The method of convergent interviewing is used to narrow the scope of a research and to identify appropriate questions for further research with the help of unstructured interviews (Nair and Riege, 1995). In the process of interviewing the researcher reviews and modifies the questions for the following interview after each interview (Dick, 1990). The literature review had already defined the scope. Therefore, convergent interviewing was not applied.

Focus group interviewing is another method used in qualitative research. The aim of focus group interviewing is producing data through the interactions of group members which would be hardly discovered in such depth with one-by-one interviews (Morgan, 1988). Since this research seeks to gather information about likely conflicting relationships between members in different roles it deemed more appropriate to interview respondents individually in order to receive more open views.

3.4 Research Design and Implementation

This section details the key elements of the research design and implementation: sampling method, interview protocol, pilot interview, respondent selection, transcription, coding.

As detailed in section 3.2 the data for this qualitative study was collected through semi-structured in-depth personal interviews (Neumann, 1994; Miles and Huberman, 1994) conducted from November 2006 – January 2007 with German expatriates in China, German parent-country superiors of German expatriates in China and Chinese host-country subordinates of German expatriates. All of them participated in an expatriate assignment which was perceived as failure. The purpose of these in-depth personal interviews was to collect the respondents' individual perspectives and to explore their rich experiences, feelings and interpretations (Patton, 1990) with the intent to overcome the apparent lack of knowledge (Patton, 1990) about the impact of different

relationships between the expatriate, expatriate superiors, expatriate subordinates and the phenomenon described as expatriate failure.

The interview protocol provided the overall direction of the semi-structured questions (Patton, 1990). The language used in the interviews was German when German expatriates and German parent country superiors of expatriates were interviewed, and English when Chinese host-country subordinates of expatriates were interviewed. The researcher and German expatriates and German parent country superiors of expatriates are native German speakers but also fluent in English, so that transcripts taken by the researcher and reviewed by the participants were in English. The Chinese respondents were fluent in English, and by choosing English as the language in the interviews instead of Chinese translated to English, the use of interpreters and the disadvantage of misinterpretation (Carson et al, 2001) could be avoided.

3.4.1 Sampling Method

Since the focus of this research is on gathering in-depth quality data rather than representative data, the technique of non-probability sampling was applied (Miles and Huberman, 1994). The researcher took the opportunity offered by 2 subsidiaries of German multi-national companies assisting the researcher in recruiting purposive samples for this research because the subjects should have experience relevant to the problem (Sarantakos, 1993). The respondents recruited through these 2 organizations were employees of either one of these 2 organizations and they recruited further respondents from the same and other organizations, a technique which is known as snow ball sampling (Neuman, 1994).

To maintain confidentiality, the 2 companies that helped on recruiting respondents for the interviews have no knowledge about who finally participated. Also the respondents have, if they have not identified themselves voluntarily to other respondents, no knowledge about who were the other respondents in the interviews.

3.4.2 Interview Protocol and Process

The researcher used an interview protocol that provided the overall direction for the interviews, ensured that the research issues were addressed, and enabled consistency across the interviews (Eisenhardt, 1989; Patton, 1990; Minichiello, 1990), but also allowed enough flexibility to modify or add questions during the interview process when appropriate to gather more in-depth data related to the research issues (Patton, 1990).

The purpose of the research is to explore the relationships and experiences of the different players in an expatriate assignment, the expatriate, the parent-country superior, the parent-country human resource manager and the host-country subordinate. Therefore, the protocol included questions about the participant's perception of the phenomenon, the understanding of his/her own role and the expectations on the role of the other players. Since the review of existing literature revealed a strong focus on pre-expatriation stage training, participants were also asked to describe how they were prepared and how they evaluated the usefulness of such training.

At the end of each interview there was an open session in which respondents could reflect on what concerned them most and on suggestion to improve factors that contributed to expatriate failure.

Prospective respondents, even though already briefed about the purpose of the research through an introduction letter distributed by the 2 organizations that helped on recruiting respondents, were informed more in detail about context, sample questions and procedure of the interviews by the researcher in personal emails and phone conversations. Respondents got clarifying questions answered by the researcher.

It was important for the researcher that the participants were aware of the purpose of the research because it is important to validity (Yin, 1994).

The information provided to the participants was carefully prepared by the researcher to avoid bias and a pre-determined direction (Patton, 1990).

All participants were sent in advance a written description of the purpose of the study, a letter of confirmation of confidentiality, and a sample questionnaire showing the key areas to be discussed. In personal meetings or phone conferences or both, participants received further explanations about the study and clarifying questions were discussed. All respondents declared their consent.

Patton (1990) strongly recommended using tape recording during the interviews. Based on prior conversations with respondents the researcher decided not to use tape recording during the interviews as most of the respondents indicated that they would not like it. Yin (1994) stated that using tape recording was more a matter of preference rather than an absolute necessity. The researcher had to take notes as extensively as possible and to expand them immediately after the interview by clarifying the content with the respondent.

Since the focus of this research was on gathering and exploring perceptions, the interview protocol was designed to enable a free flow of experiences and views about the research issues but not expected to move questions in a linear direction. Also the researcher expected that not all respondents answered all questions. For example, host-country subordinates could rarely contribute answers to questions concerning how far expatriates had met the goals as set by the parent-country superior because most of the host-country subordinates did not know details about the goals for the expatriate set by the parent-company. Parent-country superiors could seldom answer questions about the level of cultural awareness of host-country subordinates because parent-country superiors had hardly any interactions with host-country subordinates directly.

Overall, the sum of all questions targeted to yield valuable contributions to the research topic.

Questions were developed from a pilot study. In the pilot study the researcher interviewed one German expatriate in China who viewed himself as well-selected, well-trained, cross-culturally sensitive, and experienced in management but who was criticized by his parent-country superior for being in-effective in terms of not achieving the goals set by the parent-country management. The expatriate provided insights on training and ability of participants, on impact of the level of knowledge of parent-country managers about the host-country environment on expectations from the expatriate, on impact of the level of knowledge of the raters of expatriate performance, and on how the organizational relationship between parent-country head office and host-country management contributed to expatriate effectiveness. Based on the issues identified in the pilot study and review of related literature, the general direction for the questions of the interviews was developed and an interview protocol was designed.

The list of questions used in the protocol followed the purpose of exploring how the relationships between expatriates, parent-country superiors and host-country nationals contributed to the explanation of expatriate failure.

The main questions that should guide the exploration were:

- What major problems have participants, such as expatriates, parent-country superiors, parent-country human resource managers, and host-country subordinates perceived that hindered expatriates from being effective
- 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 preparation of expatriates for their assignment?
- How have host-country subordinates and parent-country superiors supported the effectiveness of expatriates?
- 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?
- How has expatriate performance evaluation been done in practice?

- 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?
- What improvements in preparation and actions do expatriates, parent-country superiors and host-country subordinates recommend to enhance expatriates' effectiveness?

These semi-structured interviews designed to get valuable in-depth personal experiences and views to answer the research question were planned to last approximately 60 minutes. Actually, they lasted between 20 – 90 minutes.

The researcher mostly met expatriates and host-country subordinates for personal interviews in China, whereas interviews with parent-country superiors and parent-country human resource managers were mostly conducted via telephone or internet conference systems. The interviews started with the brief outline of the purpose of the research. Interviews were conducted one by one between interviewer and the individual interviewee. No other persons were present during the dialogues. Interview times and locations were scheduled at the convenience of the interviewees. Face-to-face interviews took place in a private atmosphere in private clubs or restaurants. During telephone interviews with parent-country managers the respondents were alone in their private offices.

Respondents were encouraged to talk about their own story in relation to the research topic. From the rules of good interviewing as suggested by Armstrong (1985), the researcher never introduced his own ideas in the opening in order to avoid bias and manipulation, and guided the interview along the research topics to collect experiences and views by asking questions from general to particular. For example after a respondent positively replied to the question if having received cross-cultural training the researcher asked how it was done, how it was applied and why it was perceived as helpful or not helpful by providing practical examples.

The researcher was responsible to gather the data. Ensuring that the transcript was an accurate reflection of the spoken words (Sandelowski, 1994), notes of the responses were extensively written down by the researcher frequently during the interviews and after a topic was widely discussed responses were clarified by the researcher with the respondents before putting them into the transcript. Minor editing to improve readability was done (Glesne and Peshkins 1992) if it would not change the meaning. All draft transcripts of the interviews have been reviewed and approved by the respondents.

As the words of the answers were put in the transcript with participation of the respondents, misinterpretation was avoided. The outcome is a high level of accuracy in transcripts.

3.4.3 Data Analysis

From the data in notes and transcripts, the method of content analysis (Patton, 1990) was used to code the groups of words arranging them into patterns which allowed clustering the segments relating to a particular theme (Miles and Huberman, 1994), such as perceived roles, perceived effectiveness of preparation, perceived relationships between expatriates, superiors and subordinates and others.

The analysis was conducted in 2 steps, axial and selective coding (Neuman, 1994). In the first step, axial coding, data were divided into segments as classified based on preliminary literature review, for example, expatriates' pre-departure training, level of organizational support, quality of applied performance evaluation method, and others. In the second step, selective coding, the segments were whether summarized on similarities or contrasted, for example on how differently the view of expatriates, superiors, human resource managers and subordinates was stated on the same issue or on which issues multiple respondents voiced the same perspective. The results from comparing and contrasting real work experiences and participants in different roles'

views on the discussed research issues and compared to previous literature are described in more detail with reference to the individual respondents' comments and attempt to provide significant contributions to existing theory.

3.5 Respondents Selection

The research focus required that respondents were participants in expatriate assignments that were perceived as failure even though the classical factors contributing to failure as commonly discussed in literature, such as inability of the expatriate to adjust to an unfamiliar cultural working and living environment were not perceived as the main cause. To achieve better comparison of results, the researcher narrowed the scope on German expatriates in senior management positions in China and relating participants inhabiting superior or subordinate function of such German expatriates. The exploration of circumstances of German expatriate assignments in China was selected because the cultural differences between China and Germany are widely regarded as large, and because several German organizations had expressed their interest in such study. For this study not attempting to be representative for certain industry no specific limitation on size of the organization or industry was given.

The researcher selected 8 expatriates, 3 parent-country superiors, 2 parent-country human resources managers and 7 host-country subordinates from 8 different host companies of German multi-national equipment manufacturing organizations.

Most of the interviewed expatriates were aged between 30 and 40, the parent-country superiors and human resource managers between 40 and 50, and the host-country subordinates between 20 and 30. Except one expatriate and 3 host-country subordinates, all respondents were male.

From the 8 interviewed expatriates, 4 had previous work experience as expatriates, thereof all 4 had previous experience as expatriate in China. All expatriates had in

common that they worked in senior management positions in host-country companies that reported directly to the parent-company's head office in Germany and not to headquarters in the host region.

From the 5 parent-country managers (3 superiors of expatriates and 2 human resources managers), 3 had prior work-experience in foreign countries, thereof only one (one human resources manager) in China. While the parent-country superiors had in common that the expatriates in China reported to them directly and not to the host-company management or headquarters in the host region, the parent-company human resources managers were mainly used to support expatriate assignments in which the expatriate was reporting to a local superior or regional headquarters and was attached to a manager in the parent-company who acted mainly as facilitator of relationship to the parent-company and preparation of repatriation.

From the 7 host-country subordinates, 5 had prior work-experience with expatriates; thereof 2 had work-experience in foreign countries (one in Germany, one in Australia).

To make the study not too complex, only host-country subordinates of German expatriates were recruited.

Since the expatriates who participated in the interviews had no reporting relationship to any other host-company executive this research neglected exploring the relationships between expatriates and the other host-company executives.

Table 1: Key characteristics of the respondents

Respondent Code-Name	Role Expatriation-status	Nationality	Gender	Age Group	Previous Work-Experience in Foreign Country	Interview Month	Interview Location	Interview Method
Expat-1	Expatriate, contract term completed	German	male	30-40	Y - China	Nov. 2006	Germany	face-to-face
Expat-2	Expatriate, resigned	German	male	30-40	N	Nov. 2006	Germany	face-to-face
Expat-3	Expatriate, changed to other company	German	male	40-50	Y - China	Nov. 2006	China	face-to-face
Expat-4	Expatriate, changed to other company	German	male	40-50	Y - China + Asia	Dec. 2006	China	face-to-face
Expat-5	Expatriate, terminated early	German	male	30-40	N	Dec. 2006	Germany	face-to-face
Expat-6	Expatriate, terminated early	German	male	30-40	N	Dec. 2006	Germany	telephone
Expat-7	Expatriate, active	German	male	30-40	N	Jan. 2007	China	telephone
Expat-8	Expatriate, terminated early	German	female	30-40	Y - China	Jan. 2007	Germany	face-to-face
Superior-1	Parent-country superior	German	male	40-50	Y - other Europe	Nov. 2006	Germany	telephone
Superior-2	Parent-country superior	German	male	40-50	N	Nov. 2006	Germany	face-to-face
Superior-3	Parent-country superior	German	male	30-40	N	Dec. 2006	Germany	face-to-face
HRM-1	Parent-country human resource manager	German	male	30-40	Y - China	Mar. 2007	Germany	telephone
HRM-2	Parent-country human resource manager	German	male	40-50	Y - other Europe	Mar. 2007	Germany	telephone
Subordinate-1	Host-Country subordinate	Chinese	female	20-30	N	Nov. 2006	China	face-to-face
Subordinate-2	Host-Country subordinate	Chinese	male	20-30	N	Nov. 2006	China	face-to-face
Subordinate-3	Host-Country subordinate	Chinese	male	20-30	N	Nov. 2006	China	face-to-face
Subordinate-4	Host-Country subordinate	Chinese	male	20-30	Y - Australia	Dec. 2006	China	face-to-face
Subordinate-5	Host-Country subordinate	Chinese	female	20-30	N	Dec. 2006	China	telephone
Subordinate-6	Host-Country subordinate	Chinese	female	30-40	Y - Germany	Dec. 2006	China	face-to-face
Subordinate-7	Host-Country subordinate	Chinese	male	20-30	N	Mar. 2007	China	telephone

3.6 Validity, Credibility, Reliability

In order to support establishing validity of the research the draft interpretation was presented to the original respondents and then inviting respondents to comment and discuss the findings (Yin 1994).

The credibility, dependability and conformability of this qualitative research stems from the careful interpretation, examination and assessment of appropriate literature, and from carefully structuring the data to ensure full and descriptive evaluation and

assessment. This analysis will be linked back to prior theory from literature. Data analysis and conclusions will be made transparent to the reader.

The following techniques, being some of those suggested by Denzin and Lincoln (1994) were used to improve the quality of research results of this interpretive research:

- Interviewees were chosen more because of their relevance than of their representative role
- Depth and intimacy of interviewing in one-to-one discussions
- Research is in the respondents' own surroundings
- Comparing results across different user types, such as expatriates, superiors of expatriates and subordinates of expatriates
- Asking respondents to comment on drafts (such as from the pilot interview) about facts and their interpretations of those facts

Overall, this research attempted meeting high levels of credibility as it was designed and conducted in a manner to ensure that the subject was accurately identified and described (Marshall and Rossman, 1995).

3.7 Limitations

The purpose of this research is to demonstrate the complexity of factors that influence expatriate effectiveness or expatriate failure. The small number of samples does neither provide a complete number of views nor is it representative for all organizations. Disappointment of participants with the situation provides highly subjective interpretations but provides also an un-censored flow of various aspects for further consideration.

The researcher was himself in several expatriate roles before. On the one hand this prior experience enabled the researcher to explore the issues from the expert's point of view,

and on the other hand the researcher avoided directing the research to results that would conform to his own point of view.

3.8 Ethical Considerations

Ethical clearance was obtained from the Research Ethics Committee of the University of Newcastle with approval number BL/GS.Com/54:06. The study complies with the requirement by the committee, that in order to protect participant confidentiality, the companies may nominate people to participate but the company should not be informed or be able to find out which employees decline or accept the invitation.

All recipients received a consent form and were informed of their rights in relation to the interviews and their freedom to withdraw at any time.

4. Chapter 4: Findings

4.1 Introduction

This chapter presents the findings from the in-depth personal interviews with German expatriates in China assignments, German parent-company superiors of expatriates in China, German parent-company human resources managers who handled German expatriates in China, and Chinese host-company subordinates who worked with German expatriates.

The chapter starts with the findings of the pilot interview, and then presents the major issues that respondents addressed when answering the interview questions about the various antecedents of the failure of expatriate assignments.

4.2 Findings from the Pilot Interview

In the pilot interview with one randomly selected expatriate, Expat-1, who observed lack of effectiveness during his assignment, a loosely structured personal interview targeted exploring his explanations and reasoning for what may have caused ineffectiveness.

The questions guiding the pilot interviews were:

- In what areas of your work assignment have you been ineffective?
- In what areas of your work have others, such as your home-office superior or host-country employees, given you feedback about your ineffectiveness?
- How do you explain the causes of this ineffectiveness?

It was expected that the expatriate would describe a number of incidents which were caused due to problems to adapt to a culturally different work setting. Surprisingly, the answers from this respondent indicated reasons that were not caused by the expatriates' lack of adjustment.

Expat-1 was aware of cultural differences because he had worked in China prior to his recent assignment and had taken a cross-cultural seminar. He was seen by his home-office superior as ineffective because this expatriate did not accept goals from the home office when he found them inappropriate based on his judgment of the host company situation.

Examples the expatriate stated for inappropriate and illegal orders set by home office senior managers including his direct home office superior were following:

In order to reduce cost in the low cost country environment the home office demanded him to find opportunities to pay below legal minimum wages, to bribe customs officials to receive preferential import and export procedure treatment, to decrease food quality in the worker canteen and to increase the number of persons per room in the worker dormitory, to hire highly qualified local staff for a below market salary budget, to dictate prices to vendors below material cost, to print a wrong country of origin on the product package, to reduce the number of local engineers while transferring work of engineers from the home country at the same time, to provide high quality reporting and logistics planning by not being allowed to implement the necessary software for it at the same time.

Overall these examples draw a picture of unrealistic goals, lack of ethical awareness and conflicting expectations by home office managers. The expatriate explained the pressure on home office senior managers to meet aggressive goals which they had set to justify the investment for this China subsidiary to their Board.

These descriptions by the expatriate raise the question how such unrealistic goals could be set by the home office and how this had effect on expatriates' performance.

Another point that hindered this expatriate from being effective was that the host country subordinates he found when he started his assignment, were not qualified and did not understand the role and responsibility of the expatriate.

This issue raises the question as to how far the quality and level of involvement of the employees in the host country have impact on expatriates' performance.

The answers from the pilot interview focus attention to the point that besides the expatriate's ability to adjust to the new living and working environment, for example, facilitated by the awareness of cultural differences in behavior, also the parent-country senior management's and the expatriate's parent-country superior's ability of understanding the host-company situation, as well as the ability of host-country employees to adjust to the expatriate, play an important role in the expatriate assignment process. This adjustment process of all key participants involved in the expatriate's goal achievement to each other is of a rather complex nature and is facilitated or blocked through a number of situational factors.

From this pilot interview the researcher structured his questions further around the identified issue to collect further supporting or deviating data for further analysis:

- What are perceived problems that may have hindered expatriates from being effective?
- 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?
- How have host-country subordinates and parent-country superiors supported the effectiveness of expatriates?
- How have home-country superiors been prepared to be able to set appropriate goals for the expatriate, evaluating the expatriate and providing support to the expatriate?

- How has expatriate performance evaluation been done in practice?
- 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?
- What improvements in preparation and actions do expatriates, home office superiors and host company subordinates recommend to enhance expatriates' effectiveness?

4.3 The Findings from the Main Study

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?

Expatriates' views

The expatriates participating in the interviews who left their host company earlier than anticipated reported that they did not lack awareness for work-related cross-cultural issues nor had they faced pressure of family members who could not adjust to living in the host country. Considering the common definition of expatriates' failure as the premature return of expatriates from their assignment, and considering that commonly this early return is explained as a result of the expatriates' or their family members not being able to adjust to the host environment, the responses of the interviewed expatriates suggested more complex explanations.

Expatriates were asked to describe briefly the nature of their assignment and their own view on what had hindered them from performing as expected by their parent company superiors. The interviewed expatriates had been sent to the host in general management

roles or similar level with the function of being a communication-bridge between parent-company headquarters and the host-company as well as directing and controlling activities in the host-company at the will of the home office. Their host companies have been existing local Chinese companies that had been acquired by the German parent-company or had been engaged in a joint venture.

Expat-2 explained that he observed strong reluctance from host employees to support him. He described that his direct parent-country superior introduced him to the host organization as a coach for product costing while the board of the parent-company had attracted the expatriate for this assignment by offering him the position of a deputy general manager with rights to overrule management decisions made by the host senior management if they conflicted with headquarters interests.

“The locals informed me that they had never heard that I should take the place of a deputy general manager. I was not supported by them. It was the opposite. The way I was introduced by my home office superior hindered my work more than it helped. It reduced trust – my trust to my parent superior, the trust of the local joint venture partner to my parent company and to me.” (Expatriat-2)

In the perception of this expatriate the different views among his home office senior management was negatively related to his effectiveness, and when his actions found little acceptance among the host-country employees because of the ambiguous view on his role, he finally resigned from the assignment early.

Expat-3 described that despite the fact that he possessed cross-cultural leadership abilities and got goals reasonably well achieved, the parent country superiors often ignored his advice and demanded actions which finally led to failure of the project.

“The work of an expatriate can get highly inefficient if the German headquarters is not understanding, and working counter-productive by making unreasonable, in the view of China, decisions.” (Expat-3)

In the view of this expatriate lack of the parent-company management's awareness for realistic goals and for how to get things successfully done in this cross-cultural business

environment had negative impact on his performance. The project failed, the expatriate was transferred back to the home office earlier than planned, and the operation was sold.

Also other expatriates reported similar experiences of being misunderstood by their parent company superiors but with the difference that these superiors gave up on understanding how the expatriate worked.

Expat-4 stated: "I was totally independent and my superior only looked at the results."

For example in his case the nature of his China assignment was acting as a fire-fighter for specific problems, and the parent-company superiors were only interested that action was taken but not how it was taken.

When the assignment was terminated early, it was due to the change of direction in the headquarters, such as withdrawing from this market segment or merging with another company. This change of direction resulted from learning curves where home office senior management felt their set goals could not be met.

Only Expat-5 mentioned that even though he had not achieved the goals set by headquarters, he had only received very moderate critics from his parent company superior. He attributes this attitude of his superior to his own strong relationship with the headquarters. In his view no one could think of a better alternative and thus no one was asking the expatriate to return early despite failing to meet the goals set by the parent headquarters.

Expat-6 concluded that he noticed too late the unrealistic goals he was sent to achieve in China.

"The Chinese did not welcome me as watchdog, and they were in the position to use their language advantage against me." (Expat-6)

His superior blamed him for the failure, but the expatriate clarified:

"No support from anyone. I was totally on my own. My superior did not understand the situation and how impossible it was for me to fulfill his requirement of total control. My subordinates always pretended to support me,

so that I had no evidence against them, but they only let me know what they wanted me to know. They could hide a lot of things from me.” (Expat-6)

This expatriate was withdrawn from his ineffective assignment as soon the parent found a buyer for the host-company.

Several other expatriates confirmed a prior interviewed expatriate’s finding that goals and job descriptions had not been communicated by parent company superiors to the host.

Expat-7 said: “The beginning was rather chaotic, as the local person in charge didn’t even know I was coming.” “At the beginning I was rather enthusiastic, expected quick action and was naïve.” “Then I experienced, in the first one to two months after my arrival, some sort of depression. Nothing worked out, and the communication with headquarters was rather poor. But I managed to survive this period.”

At the time of the interview this expatriate remarked that he was still struggling with his assignment.

Expat-8 had studied Chinese language and culture, and had worked for another German company in China before, but had no management experience. This expatriate was sent to be the mentor for another new expatriate and the key host employees to support their adjustment to cross-cultural differences.

Having had the opportunity of meeting all the major key players of the German parent and the Chinese host in the role as free-lance consultant and interpreter during the early preparation stage of the Joint Venture, this expatriate was expected to play an effective role as cross-cultural mentor for both, the German and the Chinese.

Expecting a lack of acceptance by the Chinese because this expatriate was young and had never held a management position before, the parent country superior introduced this mentor as an assistant to the German expatriate manager. While the Germans intended showing honesty by not overstating her title, it did not cause the desired appreciation from the Chinese. The effectiveness of this mentor became very limited, because the Chinese treated her according to her title, as an assistant.

While this expatriate was able developing a professional relationship with the German expatriate manager and exchanging her valuable experiences in working in a foreign environment, uncoordinated messages from the parent-country's key players, business pressures and the lack of acceptance of her influence by the Chinese side decreased her effectiveness steadily. She returned to the parent company early. In the view of this expatriate, not clarifying the role to all relevant participants had hindered her effectiveness.

In summary, the majority of the interviewed expatriates voiced collectively major issues that contributed to their ineffectiveness were inappropriate information of host employees about roles and responsibilities of the expatriate, and apparently unreasonable actions or demands by the home office management due to lack of sensibility and understanding. In one extreme case, even a mentor could not work effectively because an appropriate setting was not provided by the home office.

Parent-country superiors' and parent-country human resource managers' views

In order to gain different perspectives of the issues, parent-company superiors of expatriates and parent-company human resource managers were also asked to describe their view on what may have caused expatriates' inefficiencies.

Superior-1 explained that he had not expected that his expatriate would not reach the goals set by him because he had carefully selected an expatriate with work experience in foreign countries. Even though his expatriate had not worked in China before, the superior assumed that the working environment for the expatriate could not be critical because the host-company was taken over from a German founder and owner, and that the host should have been already used to the German management style.

Superior-1 stated: "The expatriate has to find his way there."

When this expatriate had complained about problems which he could not solve, this superior felt it was necessary to exchange the expatriate with another who had already some China experience and was expected to perform better.

“Often I could really not imagine that there was such a big problem as the expatriate wanted to make me believe.” (Superior-1)

When this second expatriate was also not effective, the superior described that this expatriate gave up and resigned when he increased the pressure.

“I do not agree that these failures were caused by cross-cultural differences. These were results of poor management for which the expatriate had to take the blame.” (Superior-1)

Superior-2 claimed that he had given clearly defined and measurable goals to the expatriate.

“They are managers and not children.” (Superior-2)

By comparing the outcome of the expatriate’s activities compared with what other expatriates in other countries could achieve, this superior evaluated the expatriate’s effectiveness as failure.

Superior-3 explained that the expatriate was not selected by him. Instead, the board of directors had directly appointed their own candidate without consulting with this superior. Since the superior had built up relationship with the host for a long time and had made promises on what kind of expatriate was selected and what his responsibilities would be, the relationship between the superior and the expatriate got worse when the expatriate chose to follow goals set by the board which deviated from the goals communicated to the host by his superior.

“The expat was fighting for his career rather than for the good of the project.” (Superior-3)

The expatriate listened more to the orders he received from the board members rather than to orders from his direct superior.

“This project was a big failure, but hardly due to cultural issues or due to the work of the expatriate.” (Superior-3)

The superior identified that the conflict of different views on the goals of this venture caused confusion by the host and by the expatriate, and caused finally the early withdrawal of the expatriate and the failure of the project.

The two parent-country human resource managers, HRM-1 and HRM-2, summarized their overall experience of supporting over 60 expatriates. In their opinion, the selection process was the essential part in the process that decided over the success or failure of the expatriate. They shared the view that the expatriate had to possess the ability to get in control of the environment or otherwise he would fail. Confronted with the complaints of expatriates about unreasonable headquarter management attitude, both human resources specialists replied that human failures of headquarter managers could not be totally eliminated in the process and that a good expatriate would take necessary actions to solve the conflicts. HRM-1 argued that such parent-country failures would be avoided when the company had regional headquarters who knew best about the host-company environment and these regional offices would advise on decisions, goals, strategies and cultural differences. But HRM-2 had observed that involvement of a regional office between the expatriate, the host-company and the parent-company often caused conflicts of interests which sometimes made it even more difficult for the expatriate to satisfy superiors. While HRM-1 suggested that only expatriates should be selected who had existing strong ties to the parent-company, HRM-2 stated that this ideal case does not always happen. HRM-2 observed that externally hired expatriates without prior strong relationships to the parent-company faced more conflicts during their assignment than expatriates with a long history with the parent-company. Both, HRM-1 and HRM-2, agreed that not many companies may be able to find suitable expatriates with existing ties to the parent-company, and that not many companies had already established regional offices with experience in the host-country.

Summarizing the data provided by the interviewed parent-country superiors of expatriates and parent-company human resource managers, above, some viewed expatriate ineffectiveness as short-comings in management qualifications rather than with a lack of the ability to adjust to cross-cultural differences, and some saw

expatriates as ineffective when their performance did not reach the levels of other expatriates in similar assignments or felt annoyed when they complained too much. The answers may assume that some expatriates lacked of the networks and relationships with the parent company superior and headquarters and therefore their work was perceived ineffectively or goals were not accepted. Responses from human resource practitioners confirmed that expatriates' ties to the headquarters are an issue and emphasized the expatriate's central role in the process.

Host country subordinates' views

When other players involved in expatriates' assignments, the host-company subordinates, were asked about their view on causes of expatriate ineffectiveness, most of the interviewed host country subordinates of expatriates stated that they had no clear picture about the real goals of the expatriate and therefore they could not evaluate effectiveness. They also stated that they had no information on how the expatriate was rated by his home office superior. Most of them assumed that there were goals which the host did not know but the expatriate must have performed well, otherwise they assumed the home office would have taken them out. The general tendency of their comments suggested that host-country employees assumed communication problems due to language skills might have reduced quality of work-results but not so much lack of cross-cultural awareness.

Summary of findings from the responses to this question

From the interviews with expatriates, parent-company superiors of expatriates, parent-company human resources managers, and host-country subordinates, controversial views on causes of expatriate failure were provided. While expatriates seek reasons in the inappropriate behavior of the parent-company management and in specifically of their parent-company superior, the superiors' answers point to unbalanced superior-

expatriate-relationships and the judgment that lack of management abilities of the expatriate may have caused the failure. Even though host-country subordinates should be clear about the roles and goals of the expatriates in order to contribute well to the expatriates' performance, they seemed unable to measure expatriate failure. The human resource practitioners underlined their statement that the expatriate played the central role and was expected to control the environment.

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?

Expatriates' views

Expat-2 reported that he had attended a cross-cultural seminar on working in China and a crash-course on basic knowledge of Chinese language before departure. Also information was sought in books and talks with a China expatriate of another company. Due to cost saving reasons, this expatriate was not permitted to travel to the host before accepting the assignment. He was transferred to the host-company in spite of the fact that different responsible parties in the parent-company had different views about his job description.

Since this expatriate had not received the opportunity to build up any relationship with the host in advance, and since he was also new to the parent organization, he had no relationship with both, either parent or host.

Without consulting with the expatriate, the parent country superior requested the host management to hire a translator for the expatriate because the language preparation seemed hardly sufficient enough to enable professional business communication

between the expatriate and the local subordinates. The translator, selected by the host management, was a former tourist guide who spoke good English but lacked the vocabulary and background of business conversations. The expatriate was not given any input on that decision.

“When I worked there I noticed that the cross-cultural seminar was stereotyping tremendously and was not of much help for me in my daily work situations.” “Should I give up acting German?” (Expat-2)

Cross-culturally aware but in an environment of unclear goals, without clearly communicated job-description and responsibilities, and poor language support by an unqualified translator, this expatriate commenced his assignment in China.

Expat-2 concluded: “My preparation was done more for satisfying Human Resources administrative procedures rather than attempting to really provide a useful support.”

In contrast to Expat-2, Expat-3, besides attending a 5 days cross cultural seminar, was visiting the host for one whole week with his family members before he made the decision to accept the assignment. The job description and goals were clearly defined and communicated to the host.

On the usefulness of the cross cultural seminar, this expatriate said:

“I can say that there is a difference if you practice some day to day situations in a class room in Germany with a group consisting of only German participants, or if you are exposed to the same situation on site in China surrounded by Chinese and being the only German.” (Expat-3)

This expatriate was empowered to select his own team on site. This way he could gather host subordinates around him who would fit his style and would support him better.

“Saying that the expatriate has to adjust to the environment would not be right. Merely accepting how Chinese work or getting used to and accepting it would let me question the sense of sending an expatriate. The expatriate has to deliver a unique know how, be it technical or managerial.” (Expat-3)

Expat-4 claimed that he was mostly effective in his work even though he never got any cross-cultural seminar or language training.

“Experience is the best key to success. Don’t believe that can be trained. The expatriate has to be very flexible, open minded and creative. And he has to be true to himself. He shall not play politics or try to please superiors. Then he will succeed.” (Expat-4)

Another way of preparation aside from cross-cultural seminars and language training was building up good working relationships with the host and parent organizations at an early stage before commencing the expatriate assignment on site. Expat-5 built up cross-cultural awareness by showing great interest when cooperating with the host before his assignment. Based on his observations and experience, he participated in the goal setting process with his parent superior which gave him a chance to turn down a number of unrealistic goals.

This expatriate emphasized the importance of maintaining a relationship with the parent headquarters when working far away:

“I go back to Germany frequently to attend meetings and to keep up personal relationships with the parent company staff. I think it helps because they respect you as long as they see you.” (Expat-5)

Overall he suggested that an expatriate had to go through a learning curve and experience could hardly be trained.

Like most of the other respondents, before departure, Expat-6 received cross-cultural and language training. But this training did not enable him early enough to recognize that the nature of his job would cause problems.

“The language training did not help much. The cultural seminar did not help at the beginning, but after a while it all made sense, and I understood better why things happened. Actually, the cultural seminar had not helped me to find solutions.” (Expat-6)

Expat-7 explained:

“I have received both language and inter-cultural training. The seminar consisted of the introduction of Hofstede’s model and similar researchers, some discussion on expectations and fears, and some case studies. The intercultural training was useful but not a one-cure-for-all. I have to say that those intercultural and language preparation courses should not be over-estimated in terms of their influence on success or failure of the expatriate.”

He felt well-prepared for the host, but did not believe that his host company was prepared for him.

“It was more than obvious that the local staff didn’t really know where to put me.” (Expat-7)

Expat-8 had even studied Chinese language and culture, and had hands-on work experience in China before. In the role of a free-lance consultant and translator during the negotiation stage of the project, this expatriate had early contact with the key participants. Considering that this expatriate was finally utilized as a general management assistant and translator rather than as a mentor which was originally intended, the host country managers showed little acceptance when they noticed the expatriate’s lack of management experience and knowledge about the business environment. This expatriate concluded that the parent-company management obviously assumed that because she was well-trained and experienced in cross-cultural management it was not necessary to think about the way in which she was introduced to the host-employees.

The key issue identified from the interviews with expatriates about their preparation for their assignment was that most of them mentioned that taking cross-cultural and language training prior to departure had been the major or the only preparation they had undergone intensively. When commencing their assignment in the host-company the expatriates noted that the training had mostly prepared them to become aware of work-related cultural differences, but not how to solve them specifically. Some expatriates complained that the cross-cultural training had created unrealistic expectations for them,

such as being able to manage differences easily. In the discussion expatriates were quite critical about the usefulness of cross-cultural seminars by questioning the degree of adjusting to the host culture and suggesting that gaining personal experiences on handling differences was better than cross-cultural training.

They complained that preparation of language skills was ineffective. They voiced collectively that despite Chinese language training, they were not able to communicate the serious business issues in Chinese. English skills of host subordinates were often inefficient, and qualified interpreters were often difficult to get.

Most expatriates stated that they could not find any opportunity or enough opportunities to build relationships with host-company employees, parent-company superior and parent-company key staff prior to the arrival in the host country.

In summary, preparation activities may focus too strong on cultural awareness training for the expatriate rather than on important relationship building with host-company and parent-company superiors.

Parent-country superiors' and parent-country human resource managers' views

Superior-1 explained:

“The expatriate we sent to China was the first we ever sent to China for my SBU [Strategic Business Unit]. In regard to this, our Human Resource Director had asked another SBU how they prepared their staff and instructed me to offer the compulsory cross-cultural and language training before sending the expatriate out, a standard procedure in our organization.”

Superior-2 stated that the expatriate received cross-cultural and language training prior to expatriation.

“This should be enough preparation for an experienced manager.”

(Superior-2)

Superior-3 did not link his expatriate's failure to cross-cultural and language preparation. He identified the lack of goal clarification and relationship building during the preparation stage.

HRM-1 re-stated his view that the selection of the right expatriate was most essential to the success of the assignment.

“During the selection process candidates have to be tested on their cross-cultural sensitivity. This requires good observation skills and reasoning. This needs no training. Cross-cultural seminars are not necessary. They are only nice-to-have.” (HRM-1)

On language training he explained that pre-departure language training for the expatriate was intended to make the expatriate feel more comfortable so he/she could communicate some basic sentences with host-country people but it should not be expected that the expatriate would be able to undertake essential business negotiations in Chinese just after a short introductory course.

HRM-2 felt that it was necessary for all expatriates and accompanying family-members to attend a cross-cultural seminar before departure, because it made them more open to observe differences and reduce their feeling of uncertainty. Despite the fact that the short pre-departure language training would not enable the expatriate to negotiate business issues in the foreign language, HRM-2 was in favor of such training.

“Some knowledge about the local language definitively helps the expatriate in socializing with the locals.” (HRM-2)

The tendency from the responses of parent-country superiors and human resource managers suggested that they saw cross-cultural training and language training as necessary. Only one superior identified the need of goal clarification and relationship building as important preparation activities for expatriates.

Summary of findings from the responses to this question

The data indicate that in most cases the focus of expatriate preparation is on cross-cultural awareness training and that some other important factors that influenced expatriate effectiveness, such as goal clarification, communication and relationship building issues had not received the necessary attention during the pre-expatriate stage.

4.3.3 How have Host-Country Subordinates and Parent-Country Superiors supported the Effectiveness of Expatriates?

Expatriates' views

The expatriates were asked to describe what level of support they perceived from their parent country superiors and from their host company subordinates.

Expat-2 said: "The way how I was introduced hindered more than it helped."

Expat-2 was surprised when he found out that his role and goals as communicated by his parent company superior deviated very much from the role and goals which were discussed with him by the parent company management. Support from host company subordinates on the role and responsibility he had originally agreed to was low. When the expatriate mentioned this conflict to his parent country superior, this superior insisted in his own definition of the role. As a result of the expatriate's disagreement at the beginning, relationship and trust between host, parent and expatriate was damaged and caused low motivation among all participants to cooperate. By gradually enforcing the original role and goals as set by the parent board by gaining the respect of the host company subordinates, the expatriate moved things forward. His parent company superior surrendered to the opinion of the board and switched from blocking to not caring.

Another issue that hindered this expatriate's efficiency at the beginning was the language challenges. The host subordinates spoke only broken English, and had a hired interpreter who lacked business experience.

Expatriate-3 stated: "My German superior and some other German bosses announced that they would come to negotiate some agreements with the joint venture partner in China. I, as one who worked with these Chinese every day, gave my suggestions on how to prepare the negotiation to my German bosses. But they would not listen and did it in their German way. The result of this negotiation was a disaster."

Further Expat-3 stated that he was able to select local subordinates and even to hire local subordinates with abilities which supported his strategic goals. On support of the parent company headquarters when sending host country key employees for orientation to Germany, he observed that staff at headquarters gave the impression of not feeling responsible for making the orientation training a success.

Expat-4 felt comfortable when his parent company superiors left him alone to solve his own problems. He disliked when some managers from headquarters tried to tell him how to do things. Instead, he wanted his independence in finding the best way to go for a goal instead of being told how to go by people who do not know the situation well.

"Some German headquarters managers like to tell the expatriate how to do things, but the expatriate knows much better. Without headquarters interference there would be fewer problems. They shall leave it to the expatriate to decide how do things." (Expat-4)

Also Expat-5 discussed the benefits and disadvantages of having less interference by the parent company superior.

"On the one hand I enjoy that I have wide freedom of my decisions. On the other hand, the lack of direct involvement of my headquarters' superior makes him not a very persuasive supporter of my interests and ideas when they face objection from the headquarters board. Often I felt left alone." (Expat-5)

He noticed that his new Chinese subordinates needed “much more detail in direction, much more supervision and control ... and support.”

Expat-5 added: “I had to divide tasks into micro-steps and control achievement.”

He suggested that if the host country employees had had more encounters with the expatriate and with the headquarters before the expatriation some misunderstandings could have been avoided.

“If people who work in the headquarters would get a better picture and understanding there should be less conflicts and wrong expectations.”

(Expat-5)

Expat-6 stated: “My superiors were not well aware of what the situation was and what it would be when I was there.”

According to this expatriate the parent country superior was not only lacking the real picture but also lacking the ability to provide open and constructive feedback to the expatriate on how the performance was perceived.

“I had no support from the headquarters. The beginning was rather chaotic.”

(Expat-7)

This expatriate described that his parent country superior had neither communicated his role and responsibilities to the host nor that he was coming. Thus the host staff was not at all prepared. This expat was totally left alone.

Acceptance of the role of Expat-8 who was supposed to act as mentor in the host-country was low because of an unclear job description. The role was not fully clarified to the expatriate and to the host. When the parent company management changed during the period the expatriate worked in China, the situation got even worse, because the new management was unclear what this expatriate should achieve, provided no support and finally withdrew the expatriate from the assignment.

In summary, some expatriates complained that their superior did not clarify role and responsibility of the expatriate to the host, or that the superior communicated roles and goals to the host company management differently from what the expatriate had agreed to. Expatriates observed that their superior did not get involved in settling disagreements between superior, other parent-company senior managers, and expatriate over goals. The respondents reported cases where superiors did not listen to the expatriate's expert opinion and advice, and the superior (and other headquarters staff) insisted on doing things the German way. As a negative example, one superior left everything to the expatriate and helped not at all.

As for support of host-country subordinates, expatriates stated that subordinates supported them very little, were unclear about roles and responsibilities and that in some cases subordinates could not understand and support the expatriate because of poor language skills.

Host-country subordinates' views

Subordinate-1 stated: "Learning begins with working together. The practical experience seems the best way."

This host-country employee related progress in learning to the ability to support the expatriate.

Subordinate-2 said that he felt he did what was expected from him by the expatriate, but stated that some of his host country colleagues did not perform the same way.

"I think if people keep an open mind everybody can work well with the expatriate." (Subordinate-2)

He expressed the opinion that host-country employees who had an open mind would not need specific training to be able working with an expatriate, and he concluded that only employees with an open mind should be selected to work with an expatriate in order to achieve the highest support.

Subordinate-3 provided an example for his support to the expatriate.

“We were teaching him the general cultural customs and helped accustoming him to the living environment in the host country. Familiarity with the social and natural environment in the host country should help the expatriate to feel more at home and to generate productive results earlier and easier. We also tried to understand his goals and intentions and gave him suggestions on how to approach those in the Chinese Way.” (Subordinate-3)

Subordinate-4 explained why he thought he had supported the expatriate well.

“Through the intense daily communication with the expatriate, I learned how to work with him and where expectations were different from a Chinese boss. The expatriate explained reasons for his requests and decisions. He taught me how to work with a Western Boss in a foreign invested enterprise. At the beginning we had some minor misunderstandings but we adjusted to each other relatively fast.” (Subordinate-4)

Subordinate-4 described examples about early misunderstandings, such as him not meeting deadlines and not asking for clarification when he did not understand the tasks.

Subordinate-5 talked frankly about her problems in showing her level of commitment to the expatriate due to her lack of English language skills. In order to overcome this barrier she took English classes, but the expatriate put a professionally less qualified but better English speaking person between her and him which hindered direct communication and establishing mutual understanding.

Overall, host country-subordinates expressed their willingness to learn from the expatriate and their readiness for teaching and advising the expatriate about the Chinese way of doing things. They described themselves as reasonably fast learners, positive towards overcoming misunderstandings and language problems. Overall, they felt their attitude was quite supportive for the expatriate, but some indicated that language barriers often hindered their efforts.

Parent country superiors' views

Superior-1 expressed that based on his own experience as an expatriate in other countries he supported the expatriate by showing concern for his living environment and providing encouragement. Beyond that level, related to his job the expatriate would be expected to find his own way.

“The manager needs to understand the goal, and then organize the resources to meet the goals. An expatriate manager in China should be able to analyze what is necessary in this environment.” (Superior-1)

Superior-2 emphasized that the expatriate should not expect support from his superior.

“I sent the expatriate to China because he can solve the problems much better on site than I could from Germany, so I do not see that I shall offer much of support. He has to do his job.” (Superior-2)

This superior expressed his opinion that his support was merely defining the goals for the expatriate, rather than communicating the goals to the host.

“It is better when the expatriate communicates goals to his host environment rather than I do that from Germany.” (Superior-2)

Superior-3 was challenged by conflicts with his headquarters' board. While communicating to the host his own definition of the expatriate's role, even though discussed and agreed in advance, the board members changed the role during the contract negotiation with the expatriate without involving his direct superior. Having put a lot of effort in defining and communicating roles and goals to the host during the pre-expatriation stage, the superior was reluctant to accept changes which were not discussed with him. Thus, his support for the expatriate fell short because he did not feel responsible for this expatriate after the board hired him and gave him goals without consulting with the expatriate's superior.

Overall, the responding parent-company superiors expressed collectively their view that the expatriate was expected to implement solutions for work-related problems on

his/her own. Little awareness for the need of more sophisticated support was shown. One superior intentionally refused support to the expatriate because he perceived the expatriate as not being loyal to him.

Summary of findings from the responses to this question

In summary, the different respondent groups demonstrated very different views. While expatriates expected more support and understanding from home office superiors, the superiors did not share this view. The superiors assumed that the expatriate could solve work-related conflicts directly and they showed no awareness that their own actions created conflicts for the expatriate. Expatriates also explained why host country subordinates often were not able or were not willing to support the expatriate. On the contrary, host country subordinates stated their high level of commitment to support the expatriate but blamed poor language skills for low effectiveness of their support.

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?

Expatriates' views

The expatriates were asked how they perceived how much their parent country superior was prepared for working with the expatriate and the host country employees.

Expat-2 stated: "But besides the fact that the locals and my superior lacked cross-cultural awareness, it was a leadership problem of my parent company.

They did not communicate the objectives to the joint venture partner. They did not clarify my role.”

If his superior were trained and experienced, he should have taken action to resolve the conflicts.

Expat-3 stated: “My German superior tried very much to gain a fair view. But his experience was limited to the impressions he got in a few short business trips where he met our Chinese joint venture partners. He met only a limited number of people who prepared the meetings with him. In fact, he never met the majority of the people I had to work with every day. And you may imagine what difference it makes if you come for a prepared meeting or if you work with them every day. Their attitude is different. So the insights of my superior were limited.”

“German superiors and people who work in the German headquarters appear to think that the whole world has German values and German attitudes. They seem not to accept that in the world outside, other values and views might exist.” (Expat-3)

Expat-4 and Expat-5 responded that they had not received any support from parent company headquarters which included their superiors. Their superiors showed little understanding about how to manage in this Chinese company and therefore showed little concern about what problems the expatriates had faced when implementing actions required by the headquarters.

Expat-6 outlined the consequences of his superior's lack of awareness.

“My superior did not understand the situation and how impossible it was for me to fulfill his requirement of total control.” (Expat-6)

Expat-7 was of the opinion that besides expatriates and host key employees, parent-company superiors and other related headquarters staff could also have supported them better if they had been more aware of cross-cultural work conflicts.

Collectively the interviewed expatriates suggested that their home office superiors often lacked the specific cross-cultural awareness and lacked understanding for the specific situation of the expatriates in the host environment and therefore, didn't know how to support them. Due to their lack of understanding for the situation of the expatriates in the host company, home office superiors set unrealistic goals. Expatriates complained that superiors' judgment of the situation was often solely made based on observations of the host during short and well-prepared business trips. Some expatriates stated that some superiors thought the whole world thought and acted in the German way. Some problems of the expatriates were caused by leadership problems of the superior.

Parent-country superiors' and parent-country human resource managers' views

The parent country superiors were asked to evaluate how much they felt prepared for working with the expatriate and the host country employees.

Asked to provide credentials to qualify as a superior of German expatriates in China, Superior-1 answered:

"I was not specifically prepared to be the superior of expatriates. I have been an expatriate myself, but not in Asia. I have not lived and worked in China, and I had no training on this."

He assumed that with common sense and based on his experience as an expatriate in Southern Europe, as well as based on what other expatriates who were working in Europe, or in the US had told him recently, he was prepared well enough to understand the expatriate's working environment in China.

He also emphasized that he assumed that his human resource director collected and utilized current knowledge on how to prepare expatriate assignments for China.

"I have no knowledge that superiors were trained on how to manage an expatriate in China, and I do not believe it is necessary. The expatriate has to find his way there." (Superior-1)

Also Superior-2 was never specifically trained to manage an expatriate in China.

“And I still do not think that it requires any sophisticated training.”

(Superior-2)

He was of the opinion that he was able to understand the expatriate's working environment in China based on his business visits where he met Chinese businessmen. He argued that his over 10 years of management experience and work with international partners had created a reasonable awareness on which cross-cultural differences could affect business performance.

“I assume that that should make me well prepared.” (Superior-2)

Superior-3 assumed knowing the Chinese host environment very well because he visited the key partners quite often during the negotiation stage for this joint venture. He explained that the difficulties the expatriate met were not because of his lack of training or that of any of the participating groups rather because of conflicts among the parent-company management about how to manage this venture and the contradicting communication of goals to the expatriate and the host employees.

Both human resources managers, HRM-1 and HRM-2, argued that according to their experience goal setting was a negotiation between the expatriate and the parent-company management and that if both parties communicated well with each other, goals could hardly be unreasonable. They also stated that in their companies, expatriate performance was not rated by the superior alone. It was common practice to consult with other key managers and peers in the host-company and the parent-company to get a holistic view of the expatriate's performance. The process was called “360 degree – appraisal”. Therefore, both human resource practitioners disagreed that the expatriates' superiors needed specific training on understanding the host-country culture and ability.

“Most of the superiors of our expatriates are heads of the strategic business units with world-wide responsibility and they handle often dozens of expatriates in many different countries. It would be impossible to train the superiors in detail about each country. They would be permanently attending training classes and would have no time to manage the business.” (HRM-2)

In summary, the interviewed superiors had no training or experience in managing expatriates in the Chinese work setting. Their knowledge resulted solely from a small number of well-prepared business visits and experience in working in other countries. They disagreed that dedicated training for managing expatriates in China was necessary. Also the human resources practitioners shared the view that superiors do not have to be trained for each country and suggested that the method of 360-degree-evaluation would generate fair appraisals of the expatriate's performance.

Summary of findings from the responses to this question

Overall, comparing the answers of expatriates and superiors as well as human resource managers identified gaps. While expatriates observed that a lack of understanding of the host company situation among their home country superiors resulted in setting unrealistic goals and misinterpretation of the expatriate's effectiveness, home country superiors felt competent enough to evaluate the host situation and expatriate performance. The superiors did not believe that their interpretation of the foreign situation was biased by domestic-German experiences that were not applicable in China.

4.3.5 How has Expatriate Performance Evaluation been done in Practice?

Parent country superiors of expatriates' views

The question targeted to understand how parent country superiors actually do such evaluations. Therefore parent country superiors of expatriates were asked how they set the goals and how they evaluated the expatriates' performances.

Superior-1, who had more than one expatriate to manage, believed that his expatriates knew what was expected from them.

"They knew that at the end of the day I would have to evaluate the performance by what was achieved, and not on how hard they had tried. Results count. I look at the reports: Turnover, Profit, Margin, and Cost Savings." (Superior-1)

"The expatriates were mainly sent to communicate our parent company culture and goals to the locals, and make sure that things were implemented the way we wanted it. When they implemented little, and the subsidiary was not delivering the expected performance, then it was because the expatriate had failed." (Superior-1)

This superior emphasized that the expatriate was expected to achieve the goals set by the board of the parent company and was capable solving all problems by himself..

Superior-2 explained that he had given clear goals to the expatriate. He related the level of goal achievement of this expatriate with how much other expatriates achieved with similar goals.

"Performance evaluation is comparing delivered results with set objectives. If the market develops not as predicted or a competitor pops up suddenly, I could understand that this was not under the control of the expatriate and he could not reach the goal. But when the problem was that his Chinese subordinates did not do it, did not do it on time, were not qualified, and similar reasons, then I

expected that the expatriate would be able to manage to clear the path to reach the goal.” (Superior-2)

Superior-3 agreed that it may be difficult to evaluate the expatriate’s performance when goals were not clearly set and communicated. He did not want to hold poor communication and lack of solving the conflicts between the parent company board and the superior against the expatriate and preferred not to evaluate the expatriate’s achievements rather than evaluating in an unfair way.

In summary, parent-country superiors stated that goals were communicated to the expatriate and suggested evaluation of expatriate performance by comparing financial objectives, such as profit and turnover, with actual results delivered. Some indicated that they actually would favorably consider the influence of factors that were not under the control of the expatriate when figures were not met or when they noticed that internal organizational conflicts blocked the expatriate’s performance.

Expatriates’ views

Expat-1 received a very detailed job description where responsibility and goals were clearly defined. The host partner got the same information.

Despite this clear job description, his often changing superiors complained about his performance because of tension and disagreements between different headquarters’ managers. Instead of backing-up his decisions, these superiors blamed the expatriate when they expected criticism from higher levels.

In the contrary to the Expat-1, Expat-2 learned that the goals set by the parent company board and which he had accepted were different from the goals his superior set for him. The goals set by his superior found no acceptance by this expatriate. Since the expatriate chose to value the goals set by the board higher than those set by his superior, he found no support by the host employees, because these goals were not

communicated by the board and also not by the expatriate's superior. The unclear direction of objectives made it difficult for the expatriate to control his own performance and to assume which of the raters, the board or his superior, was the one whose expectations had to be met.

Expat-3 explained: "My superiors were always satisfied with my performance but not always with the ways I had chosen." His superiors had understood that one could not always do things the "German Way" in China, and that they just looked at the results, not at the way they were achieved. "I was totally independent and my superior looked at the results."

While the prior respondents got their goals prescribed by their home office superior or board, Expat-4 participated in the goal setting process and could contribute his own suggestions. These negotiated goals were communicated to the host country subordinates as well, but this expatriate observed that parent headquarters staff had sometimes different interpretation of the goals, especially when the business situation got more sensitive.

Since Expat-4 had maintained good communication and good relationships with the parent headquarters and the parent-company superior, adjustments to goals were widely accepted and found positive consideration in his performance evaluations.

When reviewing why goals were not met, Expat-5 recognized that he underestimated the difficulty of the set goal. He explained his failure with his abilities not suiting the job. Neither he nor his subordinates had enough experience to evaluate how unrealistic the set goal were under the given circumstances.

Expat-6 addressed the problems he faced when he noticed his goals were not communicated to the host company management. At the time of the interview this expatriate was working on getting this problem fixed, because he recognized the importance of this problem was not clearly understood by his parent country superior.

As happened to some other expatriates previously, Expat-7 claimed that he was sent with very vague goals and those were not even communicated to the host management. During the assignment this expatriate as well as the parent country superior observed that this expatriate might not be able to contribute any kind of high value to the venture and ended the assignment without official evaluation.

The data from the interviews with expatriates described that in some cases goals were set without participation or acceptance of the expatriate, that goals were not always set or clearly set, that goals were not communicated to the appropriate audience. Superiors' ignorance of realistic goals and the impact of improper communication of goals may have become an issue for performance evaluations.

Host country subordinates' views

Asked about their observation of the level of goal achievement by the expatriate, host country subordinates answered as follows:

Subordinate-1 explained that he was given very little information. He was only informed about the expatriate's goals as much as it deemed necessary for the expatriate to share this information in order to receive the necessary support to achieve the goals. Some of the goals appeared unrealistic to this host country subordinate, because they were too demanding for the Chinese working environment.

Subordinate-2 described that the expatriate communicated well with him about the goals and why they were important. He reported having observed open disagreements between the expatriate and his parent country superior.

Subordinate-3 said: "We also tried to understand his goals and intentions and gave him suggestions on how to approach them in the Chinese Way."

The presence of a cross-cultural conflict was stated in the answer of Subordinate-4.

“I fully understood [his goal], but sometimes I was sitting between 2 chairs. I am Chinese and in an environment of Chinese. Even if I understand what the expatriate wants, there are circumstances where my fellow-Chinese expect me to stand on their side.” (Subordinate-4)

Subordinate-5 provided a critical judgment of expatriate effectiveness.

“I cannot evaluate the expatriate’s performance. For me, I cannot understand what the advantage would be of sending someone to China to work with Chinese but who cannot understand and speak and read Chinese. With most of my local colleagues I shared the opinion that we would have had fewer problems in working with a local boss rather than with the foreigner. In regards to this, I would say the expatriate was not performing well.” (Subordinate-5)

Subordinate-6 rated the performance of the expatriate low when compared to what she knew about the goals set by the headquarters and what the expatriate had achieved. On the other hand, when rating how the expatriate managed in terms of compromising on the “Chinese Way” of doing things, this host country subordinate rated the expatriate performance high. It depended on the view.

In summary, various issues regarding their perception of feasibility and achievement of goals for expatriates were raised by host country subordinates of expatriates. They sometimes observed that goals set for the expatriate did not suit the Chinese working environment and seemed unrealistic or over optimistic, and sometimes they observed the expatriate having disagreements on certain goals with his home office superior. Some goals of the expatriate created conflicts among the Chinese of being loyal to the expatriate or being loyal to their fellow-countrymen. One respondent questioned the reasonableness of sending an expatriate for achieving certain goals when in her opinion host employees could achieve these goals even better without an expatriate.

Summary of findings from the responses to this question

In summary, the data state that superiors focus on achievement of measurable goals, such as financial objectives of profit and sales. While they considered economical influences that may have hindered expatriates' goal achievement, they were somewhat unaware of unrealistic goals and their probable incomplete knowledge of the expatriates real efforts. Expatriates addressed problems of not being heard when superiors set goals, problems with justifying non-achievement of unrealistic goals, and experiences with superiors who evaluated them despite understanding the non-feasibility of the set goals, and knowing too little about the working environment and the expatriate's real work efforts. From the answers of the host-country subordinates it became evident that risk of bias and lack of not being privy to the full picture may lead to wrong interpretation of goals and achievements.

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?

Expatriates' views

Expat-1 answered: "I had never met my future subordinates before I started in China. The staff was not at all prepared to work with a foreigner."

This expatriate reported that he trained the local employees over time up to a certain level, but often felt that his own and his host subordinates' efficiency was blocked by actions of the Chinese Joint Venture partner. The reason for that, he explained, was that the parent company management had intentionally not prepared the Chinese partner too much because some of the goals the parent had in mind were expected not to be accepted by them. An atmosphere of hiding information and mistrust among the two

parties was perceived by this expatriate as one cause for the lack of involvement of the host country employees in the preparation for cooperating with the expatriate.

Expat-2 also confirmed that there was no joint preparation training for him, the parent company headquarters' staff and the host key staff. So he focused on selection of host employees with abilities to adjust to the cross-cultural working situation. In his view it was not a matter of getting the expatriate adjusted to the Chinese work environment or the host employees getting adjusted to the expatriate's and parent company's attitude, but rather a matter of better understanding each other for reaching the common goal. He sent host country subordinates for training on the job to the German headquarters and noticed low efficiency of such training. Language barriers where Chinese spoke better English than the staff in the German headquarters and the problem that working documents, software and even meetings were in German only excluded Chinese employees from participating in the headquarters' daily issues.

"I observed a lack of responsibility among the German employees to make the training successful." (Expat-2)

He also observed that "when locals returned from overseas training they often changed to other companies when they got offered higher salary."

Expat-3, Expat-4 and Expat-5 felt that a learning curve was unavoidable when doing the necessary training and adjustment of host country employees under their supervision was unavoidable and it showed good results at the end.

"Experience is the best way to success." (Expat-4)

In the case of the assignment of Expat-6 who was sent under urgency as trouble-shooter and "watch-dog" because the host had not performed well, there was hardly an environment that would have supported preparation training for the host company employees.

Expat-7 stated that the lack of preparation of the relevant host company employees for working with him resulted from the fact that his parent company superior had not even informed the host when and for what responsibilities this expatriate was sent.

Overall, the expatriates complained that the host staff was not prepared to work with a foreigner. English language skills of host subordinates were not well prepared. Because there was no early stage of relationship building between expatriates and host company subordinates, expatriates recognized short comings of abilities of host employees usually at a stage when there was little time for training. Also goals for the expatriate were usually not or not fully communicated to the host company employees. Some expatriates, in addition to their heavy workloads, took over the initiative to coach host subordinates how to adjust working style to each other. When sending host employees for training to the parent-company, expatriates observed little support and lack of responsibility among the parent-company headquarters staff.

Host country subordinates' views

Subordinate-1 felt prepared for working with expatriates because she had worked with expatriates before.

“I think it has nothing to do with [being] expatriate or not, nothing to do with culture, but a lot to do with personality and leadership style.” Asked if cross-cultural training would be a good preparation to work with the expatriate, she answered: “A better training will only help staff to know the general culture of the country from where the expatriate comes from. It cannot help you deal with the individually different character each expatriate.”(Subordinate-1)

Subordinate-2 shared the opinion that practical relationship building and learning from each other is more efficient than class room training.

“I felt it was a big advantage to learn from the expatriate about leadership and management styles.” (Subordinate-2)

This subordinate concluded that the reason why the expatriate was sent was that the host subordinates should benefit from learning from him.

“Frankly speaking, I have not had any training on how to work with expatriates before.” (Subordinate-3)

He found that host country employees would better understand different cultural forces that drove the intentions of the expatriate and parent headquarters staff when trained.

“A number of misunderstandings could have been avoided.” (Subordinate-3)

But even though he was not trained in cultural differences between the parent country and the host country during the pre-expatriation stage, this host country employee could adjust gradually to work more efficiently with the expatriate.

Subordinate-4 provided insights to another angle of view on host employee adjustment preparation. She addressed the problem of defining the right people to be prepared for adjustment. She complained about situations where she was fully understanding what was expected from her by the expatriate, but she was hindered by her fellow-country-men because they did not understand because they were not trained in understanding the expatriate's culture.

“We had to learn making and following commitments. This took a long time.” (Subordinate-5)

She described that she was not prepared at all when suddenly she had no longer to report to her local boss but instead to an expatriate who was new to the location. She saw that her lack of good English communication skills hindered her in learning to understand the expatriate's motives. She complained that a new local who had better English skills but less professional qualification and experience was hired and established in the hierarchy between her and the expatriate. She assumed that this, in her opinion wrong move, made it even more difficult for her to adjust to the expatriate.

Overall, most host country subordinates seemed not to see the need for cross-cultural training in class-rooms, but preferred learning directly from the expatriate when

working together. Nevertheless some expressed their view that some misunderstanding could have been avoided if host-country employees were cross-culturally trained. The personal relationship between subordinate and expatriate as well as the fit of the leadership style of the expatriate to his followers were seen as more essential.

Some host country subordinates suggested that instead of training, focus on selecting suitable host subordinates to work with the expatriates was a practical alternative. In order to provide good work quality through good communication with expatriates, host-country subordinates suggested training with emphasis on English language skill preparation.

Parent-country superiors' and parent-country human resources managers' views

Superior-1 stated that the expatriate had to take the initiative to identify the training needs and to organize training of the host subordinates. Superior-2 and Superior-3 were of the opinion that early involvement of host employees in team building with the expatriate was more important than cultural training.

HRM-1 suggested that it was the job of the expatriate to select his team in the host-company and to coach them accordingly. HRM-2 saw a major problem in the costs that would occur when sending large numbers of host-country employees to cross-cultural training compared to the cost of training only one expatriate and eventually the spouse. Both human resources practitioners confirmed that in their experience they have never heard about any company training host-country employees in working with an expatriate. Therefore, they concluded it was the expatriate who had to adjust to the host-employees and not the other way round.

Summary of findings from the responses to this question

The data suggested that while expatriates emphasized the importance of this issue, actually host country employees had usually not been prepared to work with the expatriate and the parent company headquarters' staff. The answers of these three participant groups showed different awareness of the necessity for such preparation. On the one side is the demand from expatriates to train host-country employees on cultural differences, on the other side is the view from parent-country superiors and human resource managers that the expatriate has to adjust to the host-environment and to coach the host-country subordinates.

4.3.7 What Improvements in Preparation and Actions do Expatriates, Home Office Superiors and Host Company Subordinates recommend to enhance Expatriates' Effectiveness?

At the end of each interview the respondents were invited to make suggestions about how expatriate assignments could be better prepared in the future based on their own experiences.

Expatriates' views

Expat-2: "We started with little or no preparation and learned by trial and error. A number of mistakes would not have happened if both parties would have had workshops together before the joint venture started. Workshops with selected parent company staff, selected host country staff and me [the expat] would identify issues where we have different perceptions and clarify those to

each other in order to enhance mutual understanding. Each party had a perception on how the other party should understand an issue. But these perceptions were based on our own view without feedback if this was true. A workshop with all parties involved would be very quite effective.”

Expat-3: “I strongly suspect that more training for the expatriate about cultural differences might not be necessary, but it might be helpful for the parent-country supervisor, key people at headquarters, and host-country employees. Emphasis should be on team building, I mean the parent, expat, and host employees should be all together in the same workshop when they get trained. Critical is, I observed, to give some kind of information about cultural differences to the parent board. They need to listen to and accept what the expatriate advises them. Too often I observed that the German board and headquarters do not want to accept anything that they cannot understand in their German environment patterned thinking. The work of an expatriate can become highly inefficient and ineffective if the German headquarter does not understand and works in a counter-productive manner by making unreasonable (in the view of China) decisions.” (Expat-3)

Expat-4: “There are so many experienced expatriates in the market. Parent companies should hire an external but experienced expat as mentor or coach on the side for their own expatriate. The mentor/ experienced expat will help the new expat settle into the job much faster than waiting for the new expat to go through a long learning curve. The mentor costs money, but a long learning curve would not be cheaper. Saving time of learning, and making fewer big mistakes can save a lot of money for the company!”

Expat-5: “Mentoring should be offered during the beginning of the expatriation for the expat and also for subordinates and key people at headquarters!” “I observed that each business unit, each expatriate and each superior has to go through the same learning process. I miss the involvement of professional

Human Resource Management. Human Resources should collect the experiences and provide this knowledge to those who come new to an expatriation project. Currently, it is up to each individual expatriate and superior of expatriates to re-invent the wheel.”

Expat-6: “A better preparation would have been, if I had worked with an experienced expatriate together who had already gone through such a learning curve. Two heads have more eyes and ideas than one. “

Expat-7: “I feel there are two aspects of training: a) The expatriate himself and b) his future environment to be trained. My point is that –at least in my case- it was more than obvious, that the local staff didn’t really know where to put me. So the company should communicate very clearly the position within the organization and make clear, that there is a backup and support from headquarters. The intercultural trainings are useful but not a cure-all. It was helpful, that I received some language training before, to demonstrate to the locals, that I am willing to somehow adapt.”

“I suggest a three component training, which involves the expat but also his future working environment (here future colleagues). A brief but intense cultural training, some language courses and the preparation of the local organization can help.” “I have to say that these courses (intercultural and language) should not be over over-rated in terms of their influence of success or fail in an expat situation. At the end of the day, it is an interpersonal thing, i.e. can the locals deal with the new face (and vice versa, of course) or not.”

(Expat-7)

Expat-8: “With [...] a better introduction to my responsibilities and rights and a strategic/long term approach in the business development I would have done my job better.”

This expatriate suggested the following elements as essential for preparing and supporting activities: Intercultural training with all key players from host, parent and

the expatriate participating together; the expatriate getting to know people and circumstances during trips in advance of the commencement; continuous intercultural coaching for all related key players.

In summary, the main statements in areas for improvement were that cross-cultural training for expatriates was enough, but the parent-country superior, relevant parent headquarters staff and some host-company employees should attend as well, jointly together to enhance understanding of each others' thinking and situation. Overall, host staff should be better prepared on how to work with an expatriate. Some suggested mentoring, but mentoring not only for expatriates but also for host subordinates and the parent-company superior and relevant headquarters staff. This should enhance quality of decisions and the efficiency of actions.

Finally, they suggested developing personal relationships between all involved parties, such as the expatriate, the home office superior and home office managers, and host company subordinates and peers, starting earlier and putting more emphasis on it during the pre-expatriation stage.

Parent-country superiors' and parent-country human resources managers' views

Superior-1: "I believe that a workshop where I and a number of headquarter key employees who work with the expatriate would learn more about Chinese work behavior could have helped better to understand some of the problems and to be able to support the expatriate better."

Superior-2: "I do not see so many benefits in training but I think that it would have been an advantage to spend more time on getting to know each other better before fully transferring him to the host. This could have reduced communication problems at the beginning and reduced the long learning curve."

In the discussion with Superior-3 the importance of clarifying and finding agreement of the role of the expatriate before sending him to the host was identified as the most significant issue.

Both parent-country human resources managers agreed on the observation that once the right expatriate was selected the expatriate would have to take the lead in determining and directing necessary training and organizational preparations. For both of them the procedures for selection and organizational support had not to be improved, and failures of expatriate assignments were caused by managers who failed to comply with the procedures. HRM-1 supported recent discussions in parent headquarters about preferring local senior managers over expatriates.

“Local managers know the local culture best, are in better positions to establish networks to local authorities and business partners, and are less costly than expatriates. Another advantage is that it is less difficult to find one local general manager who is able to communicate in English with the parent headquarters than searching for or training a large number of English-speaking local subordinates to ensure communication with the expatriate.” (HRM-1)

Overall, the responding superiors suggested that it would be a good idea if parent-country superiors and home-office managers involved with the expatriate, and host country employees also learned about typical behavior of each other. Building personal relationships early and continuously between the parties involved in the expatriate assignment as well as clarification of roles and goals during the pre-expatriation stage were also seen as areas that needed improvement. On the contrary, the human resource practitioners emphasized to concentrating mostly on expatriate selection or even suggested selecting local senior managers instead of expatriates.

Host country subordinates' views

Subordinate-1: "Better training will only help staff to know the general culture of the country which the expatriate comes from. It can not help on the characters of the coming expatriate. The latter is much more important. Training is not useful if done in the class room. The training has to be in workshops with the respective participants that have to work together in the future." "I would suggest the training should include 'the typical characters in Germany', 'communicate with your expatriate superior' and 'typical values and beliefs of Germans'. "

Subordinate-2: "I do not think that those Chinese colleagues who were not able to work with the expatriate boss would have worked better if they were in some way trained on how to work with a foreigner. It has to do with personality and character. Some people simply don't get it. They should be replaced."

Subordinate-3 suggested that not only the expatriate should be trained in cross-cultural differences, but also the host country subordinates should be trained in such matters.

Subordinate-4: "My observation is that local subordinates that were already exposed to work in foreign countries, in foreign invested companies in China, or had worked with foreign bosses before, provide more satisfactory results to the expat. I think that the expat has carefully to select carefully his inner team that will be doing the most important jobs for him."

"I observed that good people have been replaced by lesser qualified people just because the lesser qualified could speak better English. Here I propose the expat should use a qualified translator. Expertise should not be valued lower than language skills." (Subordinate-4)

"I could imagine that the local Human Resources organizes workshops about cross-cultural differences and training on Western management style." (Subordinate-4)

Subordinate-5: "I would have appreciated if the expat would have employed a very qualified translator to avoid these language problems." " We could have helped the new expat to explain how we do things and why we do it this way, if he would have listened and if he would have understood us. Probably, a good communication-link, such as a counselor or coach, could have helped to link the locals to the expat at the beginning much better and faster."

Subordinate-6: "With my experience in German language and living/ studying in Germany, I would need training on the job in the German headquarters. I can understand language and culture, but I need to learn about the specific company headquarter culture in order to understand and support the expat better."

I asked them to let me go for training to Germany for 2 months but it was refused because they said it was too expensive and I should already know the German way because of my studies abroad."

In summary, some host country subordinates suggested that host country subordinates should also have workshops on work-related cross-cultural differences before expatriation, and that the early focus should be on selecting host country employees that suit working with the expatriate and selecting more host country employees with work experience with foreign bosses or in foreign environments. Some stated that the selection of the right translator should not be underestimated, and some requested that key host country subordinates should be sent to the parent company for orientation.

Summary of findings from the responses to this question

Overall, respondents stated different preferences for improvements of expatriate assignment preparation. The suggestions ranged from joint preparation workshops with the expatriate and representatives of the parent-company, such as the superior and other

staff that would correspond with the expatriate, and selected host-country employees to focus more on the selection of expatriates or locals that can take the role instead of expatriates.

This chapter presented the responses from the in-depth personal interviews with expatriates, parent-country superiors of expatriates, parent-country human resources managers and host-country subordinates of expatriates.

The issues addressed by the respondents provided often very contrary views which underlined the complexity of the issues to be observed in an expatriation process. In the next chapter the identified key issues shall be discussed and implications for management shall be explained.

5. Chapter 5: Discussion and Exploratory Outcomes

5.1 Introduction

The aim of Chapter 5 is to identify and discuss the outcomes that emerged from the research data and to draw conclusions. Implications for theory and practice, limitations and areas for future study are also discussed.

Chapter 1 began with the introduction to the overall problem of explaining failure of expatriate assignments and the description of the background of the study. In Chapter 2 the literature on what caused failures of expatriate assignments was reviewed and discussed. A framework was developed from multiple fragmented works, and a new framework was proposed to gain a more holistic approach to explain failures of expatriate assignments. Chapter 3 highlighted the research approach and explained the adopted research methodology. Chapter 4 presented the data from the personal interviews with participants of expatriate assignments.

Chapter 5 critically analyses the ownership of the expatriate assignment, the approaches to goal setting and performance evaluation, the impact of cross-cultural awareness, the role perception of the other participants, the use of mentors, the impact of situational factors, and finally the importance of relationships among all key players. The contributions from this study are explored in the context of literature, the research questions and the proposed conceptual framework. In doing so, it produces a more robust understanding of the complex nature of expatriate assignments and the multiple interrelationships between the key players and their impact on the outcomes of expatriation.

5.2 Discussion

5.2.1 Ownership of an Expatriate Assignment

This study shows various reasons that hindered the expatriate from completing the assignment successfully, and it makes an important distinction from the literature that suggests that the expatriate is the sole cause of the failure of an expatriate assignment. Surprisingly, the data collected do not support the literature's view that failure was caused by an expatriate's inability to adjust to the unfamiliar host-environment (Tung, 1981; Mendenhall and Oddou, 1985; Biscoe, 1995; Hill, 1998; Biscoe, 1995; Caligiuri, 1997). The data suggest that the behavior of the other parties involved in the expatriate assignment, such as the parent-company superior, other involved parent-company managers and host-company subordinates, have contributed to the failure directly.

While one of the most discussed reasons in literature was the expatriate's unawareness of cultural differences between host-country and parent-country or the inability to deal with these differences appropriately (Black and Mendenhall, 1990; Adler, 1997; Coyle and Shortland, 1992; Bhagat and Prien, 1996), the data from the interviews with expatriates suggest that in their cases other issues had hindered the expatriate to complete the assignment successfully.

Expat-1 had argued that his assignment was rated as failure because he had refused to achieve apparently unrealistic, unethical and illegal goals from his parent-country superior. Expat-2 had reported that his superior had given to the host-country subordinates a totally different description of his role than was given to him. By doing so, the superior created barriers between the host-country nationals and the expatriate. Expat-3 had described that his assignment failed because his superior made inappropriate decisions against the expatriate's advice. Expat-4's assignment was terminated early because headquarters management suddenly changed the direction of

the corporate strategy. Expat-6 concluded that his assignment failed because the goals set by headquarters were inappropriate for this host-company. Expat-7's assignment had failed because his superior had not given any notice to the host-company that an expatriate would be sent. Expat-8 gave an example of poor positioning of the job in the host-company as the reason for failure of the assignment. Even though Superior-1 had selected expatriates who were cross-culturally aware and experienced, he observed that the expatriates performed below expectation. Superior-3 stated that the failure of his expatriate's assignment was caused by poor management by the headquarters managers and not caused by the expatriate.

The data of this study challenge the view of most of the previous studies that directed all of the responsibility for the unsuccessful expatriate assignment to the expatriate. This study suggests that multiple participants influence the result of a foreign assignment as a team, and that there is a strong need also for participants other than the expatriate to take ownership in this assignment, especially parent-country superiors, parent-country human resource managers, other involved home-country managers and host-country subordinates.

5.2.2 Methodologies of Goal Setting and Measurement

While literature has commonly made the expatriate responsible for not achieving the goals (Biscoe, 1995; Mendenhall and Oddou, 1985, 1991; Tung, 1981), some findings from the interviews suggest that the failure was not that the expatriate did not meet the goals, but the failure was that parent-country managers had set inappropriate goals.

The arguments from various respondents show that often the idea for an expatriate assignment is developed based on short term ambitious profit optimization strategies of parent-companies, where superiors are measured against these ambitious goals. In the interviews, superiors demonstrated their strict result-orientation when they evaluated expatriates. It is no surprise that superiors measure expatriate performance against hard

financial facts when their own performance is also measured against hard financial facts only. Findings from the interviews with expatriates challenge the parent-country superiors' practice of applying the same evaluation methods of the parent-country to the expatriate, because the expatriates' management control in the host-environment is more complex than in the home-environment.

The findings support the literature that suggests that evaluation of expatriate performance is critical, especially when the parent-country superior has little understanding about the expatriate's working environment (Murphy and Cleveland, 1991). While responses from parent-company human resource practitioners suggest that the 360 degree evaluation method compensated superiors' gaps in knowledge, responses from expatriates support findings from literature that address risks of biased evaluations because different priorities of raters or self-interests of raters could conflict with the actions of the expatriate (Murphy and Cleveland, 1991; Harris and Schaubroeck, 1988).

Literature about goal setting practices states that goals shall be negotiated between superior and subordinate, and by finding an agreement the subordinate more likely commits to achieve the mutually agreed goals (Locke, 1968). In the interviews, one expatriate mentioned that he had a totally different perception of the situation before he came to the host-company, and noticed that the goals set for him were inappropriate. In the pilot interview one expatriate even gave examples of being asked to implement unethical or illegal action in order to meet ambitious goals set by headquarters. Based on these findings we can conclude that negotiation of realistic goals may not be possible when the parent-country superior as well as the expatriate, especially before beginning to work in the host-company, have an unclear understanding about the unfamiliar host-environment and the feasibility of the goals they negotiate.

The findings identify that expatriate failure is mainly rated by the parent-country superiors. But performance evaluation is rather complex. Specifically, it has to be analyzed if the reason for the failure of the expatriate assignment was that the expatriate

did not achieve the goal or if the goal was not achievable. The data from the interviews with expatriates support Chistensen and Harzing's proposition (2004) that expatriate failure and failure of an expatriate assignment is not the same, because not only the expatriate is responsible for the results alone, and the term "expatriate failure" leads to the erroneous assumption that it was the expatriate who was the sole cause of the failure.

5.2.3 Cross-cultural Awareness

The results of this study challenge the view of the majority of literature which state that it was most important that the expatriate received pre-departure training on awareness for cross-cultural differences (Tung, 1982; Black and Mendenhall, 1991; Forster and Johnsen, 1996; Aycan and Kanungo, 1997; Chen et al, 2005). The data from the interviews indicate that this training may have contributed little or nothing to the result of the expatriate assignment. The interviewed expatriates were experienced in working in a foreign environment (for example: Expat-1, Expat-4, Expat-8), or had received cross-cultural training before departure (for example: Expat-2, Expat-3, Expat-6, Expat-7, Expat-8). Based on their own experiences, most of the expatriates expressed their opinion that the value of this cultural training appeared to them to be overstated, and they could have done their adjustment even without it. Parent-country superiors and human resources managers had different opinions about the usefulness of cross-cultural training for expatriates. Some argued it was not really necessary but "nice to have", and some argued any cultural training for expatriates was better than no cultural training. Considering that the interviewed expatriates had either prior experience in working abroad or had cultural training or both, their assignments were classified as "failure" due to other reasons than their inability to adjust to the unfamiliar cultural environment, such as management failures of parent-country superiors or incapability of host-country subordinates.

In contrast to the literature's view that the expatriate was the one who needed cross-cultural training (Tung, 1982; Black and Mendenhall, 1991; Chen et al, 2005), the data

from the interviews suggest that there is a need for training of parent-country superiors, other key parent-country managers working with expatriates and host-country employees. The findings indicate that the attitudes and relationships of these participants in the expatriate assignment have played an essential role for the out-come. From the responses of the interviews it appears that while the expatriates were usually culturally well aware, these other players reduced the expatriates' effectiveness tremendously if they lacked understanding and sensitivity for cultural differences. For example, Expat-1's report about being permanently asked by headquarters to bend local laws and to pay below minimum wage level indicates the lack of respect for the host-country individuals by parent-company managers. Also the complaints of expatriates about unrealistic goals, superiors' refusal of expatriates' advice, and even total lack of the superior's understanding for the expatriate's working environment, indicate the need for better cultural awareness of the other players.

Literature discussed the need for host-country employees to learn about the parent-company's culture in order to understand and to support the expatriate better (Vance and Ring, 1994; Tsui et al, 1997; Shaffer et al, 2001). But the world has changed since Hofstede (1980) conducted his research on differences between countries (Ess and Sudweeks, 2005). It makes a difference to the level of support host-country employees could give to the expatriate if host-country employees had prior knowledge and experience about the parent-company or similar culture. As expatriates and host-country subordinates stated in the interviews, it depended on how cross-culturally aware the existing host-country workforce was when the expatriate takes over. It depended also on how much opportunity the expatriate had to select cross-culturally aware subordinates and how much they could be trained by the expatriate. From the interviews it appears that lack of cross-cultural awareness is less of an issue than a lack of language skills among the host-country subordinates. Host-country subordinates addressed this problem in the interviews. The preference of subordinates who spoke the language of the expatriate over subordinates who were highly qualified for the job but did not speak the language well was widely addressed as a major problem by both, expatriates and host-country employees.

The general tendency coming from the interviews is that the impact of parent-country managers' and host-country subordinates' lack of awareness of cultural differences seemed underestimated.

5.2.4 Role Perceptions

In line with common expatriate management literature, the responding Human Resource specialists described that selection was the most essential part of the expatriate preparation stage (Caligiuri, 1997; Foster and Johnsen, 1996; Borg and Harzing, 1995; Borg, 1988; Torbiorn, 1982). Assuming that it was always possible to find skilled and experienced candidates and we could predict their behavior in the unknown (at the time of selection) host environment, this might be true. The notion that once the right candidate is selected the success of the expatriate assignment was assured may lead to a wrong understanding among involved parent-country managers that there is no need for them to support the expatriate. It seems that this attitude can cause problems for the expatriate, such as unrealistic expectations, arrogant or careless attitude of parent-country managers. For example, as host-country employees and expatriates explained in the interviews, there was little interest and initiative of parent-country staff when host-country staff was sent for training to the headquarters. Another example given by expatriates was because of poor communication from parent-company managers, confusion and resistance by host-country staff was created. The relationship of host-country subordinates with the expatriate was getting worse because they received information from parent-company managers that were different from what the expatriate had communicated. This way host-country subordinates lost trust in the expatriate.

Respondents reported that relationships of parent-country superiors and managers with expatriates developed badly when the expatriate criticized or refused apparently unreasonable orders from headquarters. The study identified an inconsistency between

the expectation of the parent-country management that the expatriate was the owner of the expatriate assignment on the one hand, and the practice of parent-country managers of making the decisions often against the advice of the expatriate. One extreme example given by one expatriate in which headquarter managers requested actions which were unethical and illegal points to extreme management failures when parent-country managers have no awareness for other cultures and the expatriate's working environment. The responsibility of the expatriate's superior is wider than selecting a suitable expatriate and pushing tight goals to be achieved. In a positive expatriate – parent-country superior – relationship both parties work as partners and consult each other.

5.2.5 Relationships between Key Players

Most of past the literature prescribed that selection of the perfect candidate was a prerequisite, that through pre-departure cross-cultural training the expatriate's ability to adjust would be enabled, and that organizational support on relocation and remuneration would prevent the expatriate from being distracted from his efforts to adjust (Cui and Awa, 1992; Caligiuri, 1997; Lui and Shaffer, 2005; Chen et al, 2005; Mendenhall and Oddou, 1991; Tung, 1982). A number of fragmented studies (Vance et al, 1993; Ayman, 1997a) analyzed isolated issues, such as how host-country employee relationships to the expatriate influenced the expatriate's ability to adjust, how superiors rated expatriate performance and how mentors could contribute to expatriate adjustment. Literature mentions the importance of relationship building in a country like China where the key to get anything important accomplished lies in the 'relationships between or among individuals creating obligations for the continued exchange of favors' (Dunfee and Warren, 2001). But also between individuals in the Western society relationships play an important role (Tian, 2007).

This study has reported on a complex network of relationships between all participants in the actual expatriate assignment management practice. To some extent this

contradicts the common model from literature in which behaviors of the participants are mostly related only to the expatriate's ability to perform successfully or to fail. The different respondent-groups gave multiple examples as to how they were related to each other and directly related to the result of the expatriate assignment, such as how the relationship between parent-country superiors and expatriates affected the quality of the set goals and the performance evaluation. Findings show how the level of sensitivity of the superior regarding appropriate communication to the host-company and within the parent-company headquarters influenced commitment and support of others to the expatriate.

The findings identify that the relationship of the expatriate with host-country subordinates is also critical. If the expatriate supported host-employees against apparently unreasonable parent-company directions, the expatriate risked losing the trust of his or her superior. If the expatriate worked against host-country employees to satisfy headquarters' orders, he or she risked not being supported by host-country subordinates.

The relationship of parent-company managers working with the expatriate and host-company employees affected motivation and resistance of host-country subordinates of the expatriate when parent-company managers overruled the expatriate's directions or communicated differently than the expatriate. Parent-country managers also need to take ownership in training of host-country nationals in the headquarters. If host-country employees noticed not being accepted and perceived the quality of the training as low, it had a negative impact on motivation when they returned to the host-company.

The parent-company human resource managers held close relationships with the expatriate and the parent-company superior. Their role as consultant for the expatriation should not be limited to coordinating selection and providing compensation packages and relocation support. Human resource managers should consult with the superior and other parent-company managers to ensure awareness for the complexity of an expatriate assignment. They also have to assist on getting fair and accurate evaluations of

expatriates' performance. Moreover, they have to show support when host-company staff needs to be trained and qualified.

Expatriates also observed a lack of responsibility by parent-country managers to train host-country subordinates in the headquarters. It appears that this is seen as the expatriate's task and that headquarters' managers lack the understanding on how to provide a useful training for the host-employee. Often this training is seen as relationship-building between some key host-country employees and the parent-company, but the effectiveness of such training is low. Expatriates voiced collectively the importance of relationship building measures at the earliest stage possible. They complained about not having had enough time during the pre-departure stage to build relationships with their parent-company superior and other involved parent-company staff as well as host-country subordinates. From the examples these expatriates gave in the interviews, underestimating the importance of relationship building at an early stage had created a lack of trust between expatriates and parent-country superiors, and limited information on strengths and weaknesses as well as training-needs of host-company subordinates. Therefore, expatriates suggested organizing joint work shops during the expatriation preparation stage, not so much intending to train host-employees and parent-employees together with the expatriate about cultural differences, but intending to build up relationships among all key players at an early stage. Human resource managers do not support the idea of more training by referring to cost and time constraints. Instead, one human resource manager suggested selecting local managers instead of expatriates because it would minimize relationship conflicts with the local work force, but this would not solve the problem of relationship building with the parent-company managers. If the local manager was not well known and trusted at headquarters, it could hardly be believed that there were less relationship conflicts or that the local manager could be more effective than the expatriate.

In some of the examples from the interviews we can see that bad leadership of expatriate-superiors damage relationships with host-company, other parent-company managers and the expatriate, which finally limits the opportunities for the expatriate to

perform well. Findings of this study indicate that negative relationships between superior and expatriate result often from a lack of time to get adjusted to each other during the preparation of an expatriate assignment. Human resources managers observed effective relationships and less expatriate failures when the expatriate had already long-term relationships with the parent-company. An externally hired expatriate who was experienced in working in the Chinese environment but did hardly know anybody in the parent-company lacked the necessary trust and support from headquarters, especially in the case of disagreement about decisions.

Overall, the data from the interviews suggest that not only the expatriate but also the other participants involved in the expatriate assignment hold important relationships to each other, and have impact on the result of an expatriate assignment. These findings contradict the view of previous literature that they are all related to the expatriate and only the expatriate was related to the result of the assignment.

5.2.6 Mentors

Literature suggests the use of mentors to facilitate better expatriate adjustment (Kraimer et al, 2001; Feldmann and Bolino, 1999). Even the recent contribution of Mezias and Scandura (2005) discussing the use of multiple mentors for the different stages in the expatriation process is focusing on the use of mentors for expatriates and host-country employees, but not for parent-country superiors and other involved players at the headquarters. This study finds that mentors were hardly used, in fact, only in one case. Expat-8 explained that she was placed in the host-company as mentor for one expatriate but was ineffective due to inappropriate positioning in the organization. From the responses of the interviews with other expatriates and parent-country superiors, we see an urgent need for parent-country superiors and other managers to get a better understanding of the expatriate's working environment.

5.2.7 Impact of other situational Factors

The respondents highlighted a range of contingencies that contribute to expatriates' effectiveness. For example, the expatriate could report to a superior in the parent-company or to a local superior in the host-country. The expatriate could already have a long employment history with the parent-company or the expatriate could be newly employed by the parent-company. The host-company could be a joint-venture, a newly founded foreign invested subsidiary or an acquisition of a local company. Host-country subordinates could be experienced in working with expatriates or not. The reason why the parent-company sent an expatriate could be to transfer knowledge to the host-country workforce or to control them. The parent-company could focus on short term profit or long term business development. All of these factors could have different impact on the various relationships between the participants in the expatriate assignment, such as task-oriented or people-oriented relationships, or trust-based or mistrust-based relationships.

Only a few studies (Naumann, 1992; Murphy and Cleveland) addressed the different impact of possible contingencies and did not recommend a one-fits-it-all approach.

5.3 Limitations and Implication for Future Research

This study is not without limitations. Several limitations of the present study are important to note:

First, the sample is biased. Given that the nature of this research is exploring human failure, participants may have avoided reporting their own mistakes. Therefore, it is no surprise that no data on expatriates that failed or were performing poorly due to inability to adjust to the unfamiliar environment was found, and that this study found that the involvement of the other key players had caused or partly caused the failure of

the expatriate's assignment. Nevertheless, the data indicates that there are more explanations of expatriate failure than the common explanations in previous studies.

Second, this study was developed with qualitative data from participants with a similar background and similar organizational environments. All respondents were involved in assignments of German expatriates in Chinese subsidiaries of German multinational manufacturing companies with direct reporting-lines to the German parent-country. The Chinese subsidiaries were existing Chinese companies were taken over by or have become part of a joint venture with the German multinational company. As data based on large sample have not yet been collected so far, the framework cannot draw conclusions outside the scope of this study. Although the findings can be generalized outside the research context, the researcher recognizes the possibility that there might be more contingencies to be found. Future research should collect different samples.

Third, the results of this study are only exploratory and have not been tested. Future research should collect empirical data from different samples using more objective techniques in order to test the new framework.

5.4 Conclusions and Implications for Management

This study has investigated numerous reasons for expatriate failure and contributes new evidence to previous research that has commonly explained the failure of an expatriate assignment was a result of the inability of the expatriate to adjust to the unfamiliar host-country environment (Shaffer et al, 1999; Caligiuri, 1997; Briscoe, 1995; Mendenhall and Oddou, 1985; Tung, 1981).

First, the data of this study creates awareness that literature's focus exploring why the expatriate was unable to adjust to the unfamiliar environment appears too narrow to explain the complexity of an expatriate assignment. In fact, previous literature can lead to a wrong perception that if the expatriate is prepared appropriately, everyone else can

lean back. Some findings of this study support some non-integrated prior research that explored how the level of host-country employees' understanding of cultural differences and how relationships between the expatriate and host-country subordinates affected expatriates' ability to adjust to the new environment (Liu and Shaffer, 2005; Shaffer et al., 2001; Tsui et al., 1997; Aycan, 1997a; Vance and Ring, 1994). Overall, this study suggests leaving the narrow path of exploring the impact of the expatriate's abilities on the outcome and instead integrating the impact of the other players on the outcome of an expatriate assignment in one model.

Second, the data also added critical views on the practice of expatriate performance evaluations to existing studies (Caligiuri, 1997; Gregersen et al., 1996; Gregersen et al., 1996; Mendenhall and Oddou, 1991). The findings suggest that emphasis on how goals are set and how qualified raters of expatriate performance should be. Furthermore, the study indicates that it is not only important that the expatriate alone is cross-culturally aware, but also parent-country managers have to gain greater understanding of the culture of the host-country and the working environment of the expatriate in order to define better goals, make better decisions, fairer judgments and providing better support. It appears that conflicts created by poor goal setting have a negative impact on the outcome of an expatriate assignment and parent-country superiors have to ensure that they have the required qualification to manage such expatriate assignments.

Third, the data of this research contribute an additional focus on the use of mentors to prior non-integrated studies that discussed how the use of mentors affected the expatriate's adjustment (Jasawalla, 2006; Mezias and Scandura, 2005; Kraimer et al., 2001; Higgins and Kram, 2001). The findings suggest that mentors need to be well positioned and that the belief that mentors are needed for the expatriate only is too narrow. Instead the data suggest that mentors may be useful for parent-country managers as well.

Fourth, this study investigated relationships of the parties involved in expatriate failure. The findings supported the view that parent-country managers, such as the expatriate's

superior, the human resource manager and other involved home office managers, involved in selection, training and organizational support, are related to the result of the expatriate assignment. Host-country employees and mentors are also related to the result of the expatriate assignment. The data suggests that all participants are related to each other and produced the result of the expatriate assignment together as a team. If any of these key players was unable to adjust, the expatriate assignment most likely ended in failure. This study contradicts previous research that supported the view that the result of an expatriate assignment was only 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 suggests that the result of an expatriate assignment is more complex. Many expatriate assignments are too complex in nature than to be owned by the expatriate alone. This present research supports the proposed framework in which the result of an expatriate assignment is a result of multiple interrelationships between all participants involved in the expatriate assignment, such as parent-country superiors, parent country human resource practitioners, other involved parent-country managers, host-country subordinates and expatriates. The proposed framework addresses the need for higher awareness among all key players to understand the interrelationships and the impact of their interactions and goes beyond the previous view of literature that the expatriate, once ideally selected and trained, had the sole-ownership of the process.

The study's efforts may have certain implications for improvements in the field of expatriate management, especially:

First, this study might make parent-country superiors and other parent-country managers more aware about their important responsibility in an expatriate assignment and the need that they have to behave towards the expatriate and host-country employees more thoughtfully. In fact, it is noticed that especially the parent-country superiors could often play a more supporting role in the assignment if they would try

harder to gain a better understanding of the situation of the working environment of the expatriate.

Second, this study concludes that the quality of goals needs to be observed critically and shows several examples where the failure of the assignment resulted from poor goal setting rather than from poor performance of the expatriate.

Third, this study establishes links among all key players involved in an expatriate assignment. It demonstrates that not only the expatriate is related to the result of expatriate assignments but also the other participants involved. This study shows that relationships of parent-country managers with host-country employees can play a very important role, just as important as relationships of parent-country managers and host-country employees with the expatriate. This study encourages early commencement of relationship building between all key players.

Finally, this study concludes that the focus of prior research on expatriate failure was too narrow and led to a false conclusion that the expatriate alone is able to control the assignment. This narrow view may have hindered parent-country superiors, parent-country human resources practitioners and other involved home-office managers from feeling more responsible and supportive in the cooperation with expatriates and host-company employees. The practical implication of this point resides mainly on the ways parent-company superiors and parent-company human resource practitioners manage the expatriate assignment process. The study suggests that there is more involved than just selection, remuneration, relocation and pre-departure cross-cultural training. Formal selection procedures and formal expatriation processes do not replace the need for appropriate management behavior and human interactions.

This study proposes the following areas of improvement of expatriate management:

- Parent-country superiors have to be more aware that they hold a strong stake in the expatriate assignment and have to feel responsible for getting the necessary

qualification to judge the working environment of the expatriate at a reasonable level. This improves role perception, goal setting, evaluation and support.

- Parent-country human resources managers have to observe that there are more issues involved than following procedure of selection and expatriation. They have to play a more active role in consulting parent-country superiors, other involved managers and expatriates on the human factors during the assignment.
- The use of mentors should not be limited to assist the expatriate only. Mentors should also support parent-country superiors and managers to understand and evaluate the expatriate's working environment better as well as support host-country employees to gain better understanding of the parent-company culture.
- All involved parties have to start building relationships and understanding about each other at a very early stage. This builds trust, avoids misunderstandings and generates commitment and support.

The managerial implications of this study focus on increasing the awareness in all involved key players about the importance of their qualification, their relationships to each other and their direct impact on the outcome of the assignment.

After all, this study indicates that often it is not an “expatriate failure” but it is a “team failure”.

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