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

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

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