

## Expatriation: Challenges and Success Factors of an International Career

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**Abstract:** Economic globalisation has opened new opportunities not only for business enterprises, but their employees as well. The practice of expatriation has been used increasingly for successful operations on a world scale, thus providing the employees with the opportunity to gain some international experience and develop their international career. The aim of this article is to analyse the challenges and success factors of an international career. Objectives of the article: (1) to reveal the conceptual essence of expatriation process; (2) to determine issues faced by expatriates during their international assignment; (3) to list the success factors of an international career. The methods of the article: analysis of scientific literature, synthesis, generalization. Analysis of scientific sources has revealed that expatriates (qualified employees who are usually sent to work to another branch of the same company located abroad) are usually used for three main reasons: technical competence, management development and control. Employees who agree to leave for international assignments are usually motivated by skill acquisition, opportunities of personal development, higher salary and future career prospects. Despite the advantages of expatriation practice, there are many challenges as well (for example, difficult adaptation, various problems related to expatriate's family, and difficulties during repatriation), that might be faced by people assigned to work abroad. It is noteworthy that failures of international assignments have a negative affect both on expatriates and organisations. It has been determined that the success of expatriation process and international career of employees is mostly determined by personal individual and organisational factors.

**Keywords:** expatriates, expatriation process, international career, work – related education.

### Introduction

Together with the development of business on a global level, there has been another new phenomenon coming into focus, namely, international management of human resources, the main aim of which is to enable an international company to be globally successful and thus competitive on a global scale, functioning efficiently, as well as flexible and adaptive during the shortest amount of time possible; finally, it must be able to transfer knowledge to branches located around the world (Budhwar, Florkowski, 2002). One of the key dimensions of the international management of human resources is expatriation process and management thereof (Thoo, Kaliannan, 2013). The practice of expatriation is increasingly used to implement a part of the goals of business companies related to their activities in the international market; it is also a fine opportunity for the employees to gain new experience and develop an international career.

It is noteworthy that scientific literature emphasises not only the benefits of international assignment, but also that there exists a number of challenges with negative effect on both the employees-expatriates and organisations. In order to avoid potential losses, it is beneficial to analyse relevant problems of international assignment as well as to determine what contributes to the success of expatriation process and the international career of employees.

**The aim of the article:** to analyse the challenges and success factors of an international career.

### The tasks of the article:

1. to reveal the conceptual essence of expatriation process;
2. to determine issues faced by expatriates during their international assignment;
3. to list the success factors of an international career.

### Methodology

In order to analyse the challenges and success factors of an international career, the examination of theoretical and empirical research of different scholars has been conducted. Generally it is possible to distinguish the most important aspects researched by the scholars, namely the process of expatriation and the management thereof (Stedham, Nechita, 1997; Miller, Stahl, 2002; Cizel, Ozdemir, 2007; Vögel, Van Vuuren, 2008; Lund, Degen, 2010; Bitencourt, Gallon, 2014), success factors of

international assignments/ expatriation (Goby, Ahmed, 2002; Bullock, Oswald, 2002; Cerdin, Le Pargneux, 2009; Hemmasi, Downes, 2010; Canhilal, Shemueli, 2015), failures/ challenges of an international assignment (Wu, 2008; Thoo, Kaliannan, 2013), aspects related to an intercultural assignment (Grundey, 2008; Wang, 2008; Qin, Zhou, 2009; Banerjee, Gaur, 2012), and issues of repatriation (Chew, Debowski, 2008; Arman, 2009).

*The methods of the article:* analysis of scientific literature, synthesis, generalisation.

## Results and discussion

**Conceptual essence of the expatriation process.** According to I.M. Wang (2008), expatriation can be understood as an assignment for work abroad for a particular amount of time. An expatriate might be defined as an employee of a parent company who is transferred for a particular amount of time (from several months to several years) to work in a branch of an international company located abroad (Banerjee, Gaur, 2012).

According to J. Qin and X. Zhou (2009) companies that invest abroad must manage, control, coordinate and integrate operations between their foreign branches and the parent company. In order to achieve these aims, expatriates are usually selected; they go to branches located abroad as corporate representatives and ambassadors. The expatriates are selected for the management of foreign branches of international companies located abroad, since they are better acquainted with management techniques and methods applied in the parent company than local employees (Wu, 2008).

B.M. Bitencourt and Sh. Gallon (2014) state that the main reason for international companies to use expatriation varies among different organisations and depends on the strategies thereof. It can be related to its development in new markets and more active participation in them, management of mergers and acquisition, technology transfer to the local company, innovative development of ideas. Expatriates and selection thereof must be carefully planned taking into consideration the strategic purpose of an assignment that might include coordination, control, information exchange or management development (Stedham, Nechita, 1997).

Besides the reasons for which international companies employ the practice of expatriation, it is noteworthy to mention that most of the employees treat an international assignment as an opportunity for personal and professional development and an opportunity for positive changes in their career (Miller, Stahl, 2002). According to B.M. Bitencourt and Sh. Gallon (2014) the planning of expatriation process must consist of three stages: (1) the preparation for the mission; (2) the mission itself; (3) the return from the mission – repatriation. This categorisation is supplemented by other scholars (Cizel, Ozdemir, 2007) who have prepared a theoretical model (Figure 1):

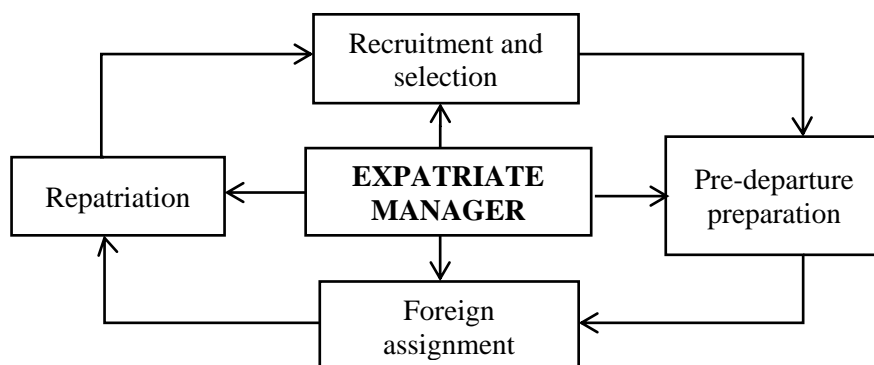


Figure 1. Expatriate management process (Cizel, Ozdemir, 2007).

According to the information provided in the model, expatriation process can be summarised as consisting of four stages. First of all, recruitment and selection of candidates for international assignments takes place, followed by pre-departure training, foreign assignment which includes both expatriate's adaptation to the new culture or environment and the activities of expatriates, carrying out the tasks they have been assigned to do. The authors of this model note that it is the most difficult stage in expatriate management process. Finally, repatriation takes place: return to one's native country and

the main unit of an international company. It is noteworthy that in order to implement the expatriation process successfully, one must pay sufficient attention to all of these stages.

**Challenges of an international career.** The analysis of scientific resources has revealed that despite the already mentioned advantages to the expatriation practice, there are many challenges and actual problems faced by the expatriates during their assignments abroad. One of the most frequent problems of expatriation process addressed by the scholars on the most frequent basis is related to the problems and difficulties of the foreign assignment arising during the repatriation stage.

When expatriates move to work and live abroad, they find themselves in a new cultural environment. According to V.P. Goby and Z.U. Ahmed (2002), expatriates encounter a cultural shock, differences related to work norms, isolation, home-sickness, different system of healthcare protection and children education, different language, cuisine, other costs of living. In most cases expatriates face problems related to both their work and personal adaptation; if unsolved, these problems can result in stress for an employee, have a negative effect on his/ her professional career and the success of the entire foreign assignment (Qin, Zhou, 2009).

According to D. Grundey (2008), the success of a foreign assignment mostly depends on the effectiveness of the intercultural training, because this precise intercultural training can help to reduce the psychological stress and intercultural shock that frequently determines the failure of expatriates. Successful application of intercultural training model can help the employees to become familiarised with the values, rules, beliefs, work style and other aspects of a foreign country and thus facilitate the adaptation of employees during the foreign assignment. The model itself could be improved taking into consideration the difficulties experienced by employees or their family members who still are or have been on a foreign assignment. The same approach is supported by P. Banerjee and J. Gaur (2012), who also note that the adaption of expatriates might be affected by individual, work- and family-related factors.

Historically, the failure of expatriates during a foreign assignment is related to premature repatriation (Hemmasi, Downes, 2010). However, it can also be related to an inefficient completion of one's task or leaving organisation after repatriation (Stedham, Nechita, 1997). It is noteworthy that if problems are encountered during an assignment abroad, direct and indirect losses for both organisations and their employees are possible. P. Banerjee and J. Gaur (2012) add that the failure of expatriates means great financial loss for international companies and has impact on the career of expatriates. A.J. Vögel and J.J. Van Vuuren (2008) have observed that when expatriates remain for their assignment but distance themselves psychologically, it might result in indirect losses for companies. The said losses might include the reduction in productivity, market share and competitive position, damaged relationship with employees, clients and suppliers as well as negative impact on company's image and reputation.

Besides the adaptation during the international assignment, another difficult process is the final stage of expatriation process, namely, the repatriation. According to J. Chew and Sh. Debowski (2008), the final stage of expatriation process (repatriation) usually attracts significantly less attention because of a prevailing attitude that this process should not cause great difficulty, since local language and culture are well known, the work-related skills are the same, home environment and people with whom the expatriate will communicate will probably be same as well. However, the actual situation reveals slightly different experience.

It is noteworthy that during their foreign assignment, not only do employees carry out the tasks that have been assigned to them, they also gain new knowledge and new international experience; it is expected that later they will transfer and use their newly gained knowledge during their activities in the parent company of their international company (Arman, 2009). However, the repatriation stage is not always fluent. There are usually difficulties arising during reintegration to the former work or residential environment; not all companies are capable of appreciating the newly gained international experienced of their employees who have returned.

Implementation of a successful repatriation process requires provision of repatriation strategies, preparation of effective repatriation programmes that would be revised on a regular basis (Chew, Debowski, 2008). It is also important for an international company to pay attention to the employee and his/ her family members. It is important to show that the employee is appreciated and that he/ she shall receive support during the repatriation period.

According to Y.Sh. Lee (2011), the occurrence of international human resources management problems might be also determined by the fact that companies sometimes lack an international experience. Infrequent international assignment, insufficient attention to knowledge gained in a different cultural environment or the fact that divisions managing human resources do not always take advantage of the opportunity to learn from the experience of the expatriates who have returned back and thus complicate the development of company's development of international competence.

**Success factors of an international career.** Having discussed the most relevant challenges for international career, it is noteworthy to analyse the success factors of expatriation process as well. Research conducted by V.P. Goby and Z.U. Ahmed (2002) has revealed that the success of expatriates during foreign assignments are related to these main aspects: expatriate selection criteria, training, teaching techniques, family and social support, support from organisation and compensation.

Results of research conducted by S.K. Canhilal and R.G. Shemueli (2015) support the fact that success of expatriation process is determined by the combination of individual, organisational and context-related factors. It has been revealed that the most significant factors are the following: cross-cultural competences, spousal support, motivational questions, time of assignment, emotional competences, previous international experience language fluency, social relational skills, cultural differences, and organizational recruitment and selection practices.

According to Ch. Bullock and Sh. Oswald (2002), it is possible to distinguish four criteria that must be taken into consideration when selecting expatriates qualified for a foreign assignment: 1) technical competences; 2) human relational skills; 3) spouse and family adaptability; 4) desire to work abroad. In order for expatriation process to be implemented successfully, it is important for an expatriate to possess cultural empathy, emotional stability, flexibility, cross-cultural communication skills and necessary administration skills, knowledge on domestic operations, domestic managerial talent and technical expertise. It is also important for the future expatriate to be motivated, interested in working abroad and in culture of the host country, also to expect that the foreign assignment will have positive effect on expatriate's career. Moreover, it is important for employee's family members to be able to adapt, support each other and nurture stable relationship.

Analysis of scientific sources conducted by J.L. Cerdin and M. Le Pargneux (2009) has assessed success of foreign assignment through career variables before, during and after expatriation. It is noteworthy that before expatriation, the success of foreign assignment is determined by motivation to go abroad and free decision to choose the expatriation. During the time abroad and repatriation, success is determined by the following aspects of career: career anchors, careerist orientation, protean attitude and boundaryless attitude. It is noteworthy that success of foreign assignment contributes to the success of repatriation. The success of expatriate's career is related to career satisfaction, promotion and pay increase.

According to Y.Sh. Lee (2011), it is important to provide help for future expatriates to form a comprehensive image of work and life abroad and to provide them with all necessary support. Another positively evaluated aspect is communication between new expatriates and their colleagues who have been and are still working in the destination country and who can share their experience. Another highly important aspect is for the employees themselves to be interested in the destination country, as well as its culture and for them to familiarise themselves with organisational structure, procedures and business strategy abroad. According to D.W. Lund and R.J. Degen (2010) a well-prepared expatriate selection, their preparation, support and reintegration programme help to increase the overall efficiency of expatriate assignment and avoid large costs related to failure.

It can be summarised that the most significant factors for successful implementation of foreign assignment include factors on individual and organisational level. It is very important to select suitable employees who would possess necessary experience, knowledge and skills; to envision and implement targeted training that would help with successful implementation of the tasks assigned and deal with various challenges arising during the foreign assignment. It is also important to take the family situation into consideration as well, because support from family members, motivation for foreign assignment, and ability to adapt in new cultural environment has contributed significantly to the success of employee's international career.

## Conclusion

- According to the analysis of scientific sources, it has been determined that expatriates are usually selected because of three main reasons: technical competence, management development and control. In their turn, employees are stimulated to choose expatriation by a desire to gain international experience and opportunity of positive career changes. There are four stages of expatriation process distinguished: recruitment and selection, pre-departure training, foreign assignment and repatriation.
- It has been determined that problems frequently faced by expatriates occur in the stages of cross-cultural adaptation and repatriation. Difficulties during the adaptation process are related to employee's exposure to a different cultural, social and work environment, while difficulties of repatriation are related to reintegration to the previous home environment, failure to appreciate the international experience of an employee and failure to meet the existing expectations.
- It has been revealed that factors that influence the success of expatriation process and international career of employees the most include both individual and organisational factors. Both, expatriate's personal qualities, experience, skills, family situation as well as the attention from organisation for implementation of foreign assignments (a well-considered selection of candidates for expatriation, their preparation for foreign assignment, assessment of employee's family situation, continuous communication and collaboration throughout the entire assignment and well-planned implementation of the repatriation process) are important.

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