

# **EXPATRIATE MANAGEMENT GROUP**

**A new paradigm in the management of people issues  
in an international venture**

**7 March 2008**



# EMG PRESENTATION

## Presentation Agenda

- Old expatriate management paradigm  
Marius van Aswegen
- New expatriate management paradigm  
Kevan Hawley
- A personal experience  
Mike and Lynn Biesheuvel



# EMG PRESENTATION

Marius van Aswegen

Presentation Agenda

- Background to the expatriate adjustment research
  
- Discussion of research results
  
- Implications
  - Old paradigm to expatriate management
  - New paradigm to expatriate management



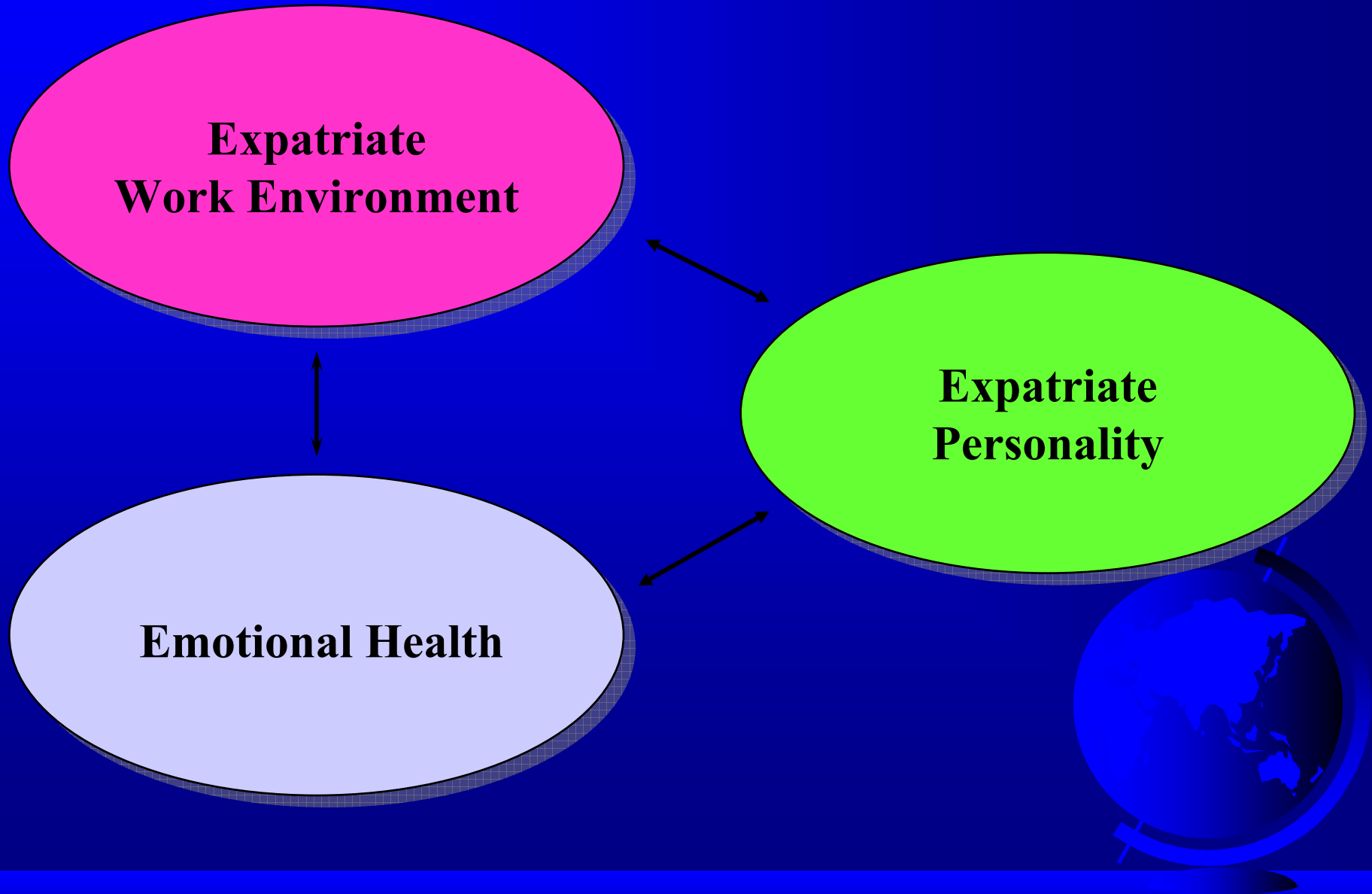
# EMG PRESENTATION

## Reasons for research

- Perceived poor selection decisions when expatriates fail
- Common problems and symptoms during on-site visits to expatriates
- Common complaints by corporate management in parent companies
- Perceived management perception towards HR as remuneration and administrative function
- Perceived inability of HR departments to influence expatriate management decisions
- Patterns in expatriate placements and movements



# EMG PRESENTATION POSTULATED EXPATRIATE INTERACTION MODEL



# EMG PRESENTATION

## Research process

- Longitudinal research design
- Experimental and Control groups
- Initial assessment prior to departure
- Follow-up assessment in country while on assignment
- Assessment on repatriation in home country



# EMG PRESENTATION

## Typical Personal Adjustment Cycle





## EMG PRESENTATION Research Control Group

- 42 Domestic managers
- Average age: 37.9
- Male: 83%                      Female: 11%
- White: 60%                      Black: 40%
- Companies: 2 Retail Companies based in South Africa

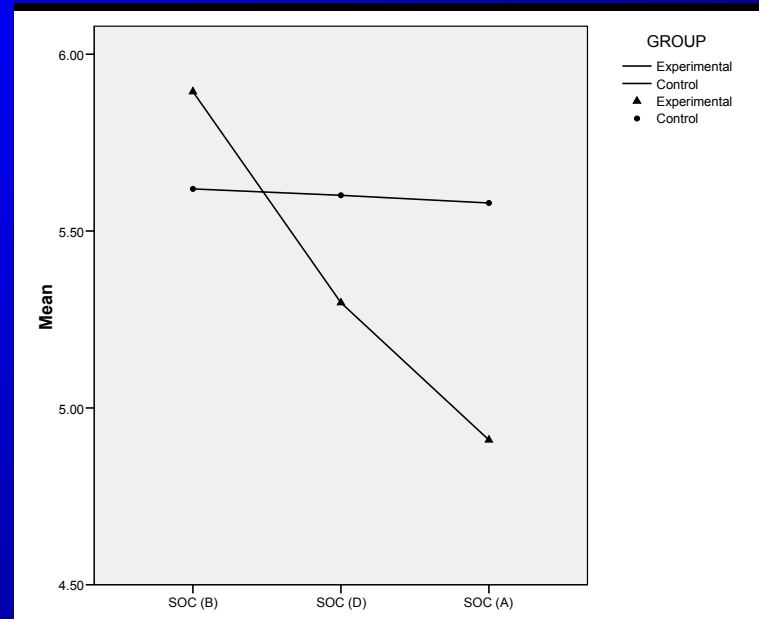


# EMG PRESENTATION

## RESEARCH OBJECTIVE 1:

### Impact of expatriation process on individual emotional health

#### Emotional Health



#### Emotional Health scores

Pre-departure:  
During assignment:  
On repatriation:

#### Experimental group Percentile

79  
48  
30

#### Control group Percentile

69  
67  
65



## EMG PRESENTATION RESEARCH OBJECTIVE 2:

### Interaction between expatriate personality and emotional adjustment

Factors	Emotional Health (During)
Stable	<b>0.259</b>
Enthusiastic	<b>0.225</b>
Adventurous	<b>0.265</b>
Sensitive	<b>-0.239</b>
Imaginative	-0.114
Liberal	-0.057
Tense	<b>-0.223</b>

*Note.  $p < 0.05$*

#### Observations:

- Significant correlations between specific primary 16PF factors and emotional health variables
- Specific primary 16PF factors potential predictors of emotional health during & post assignment
- Note significance of Stable and Tense factors
- Also Enthusiastic and Adventurous with emotional health during assignment



## EMG PRESENTATION RESEARCH OBJECTIVE 3:

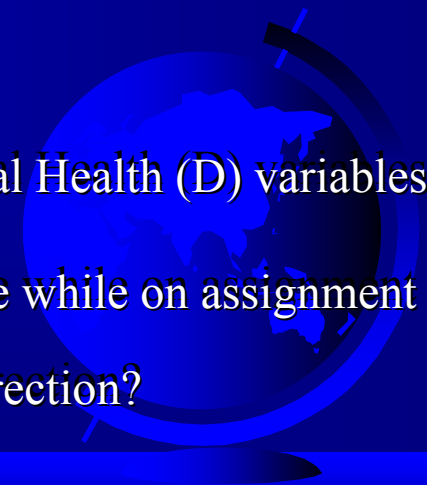
### Interaction between organisational climate and emotional adjustment

Factors	Emotional Health (During)
Role Clarity (D)	0.270
Communication (D)	0.254
Leadership (D)	0.397
Satisfaction (D)	0.387
Tension (D)	-0.489
Propensity to stay on assignment (D)	0.434

*Note.  $p < 0.05$*

#### Observations:

- Significant correlations between most Climate (D) variables and Emotional Health (D) variables
- Therefore direct interaction between emotional health & perceived climate while on assignment
- Question: Is there a causal relationship between variables and in which direction?



**EMG PRESENTATION**  
**RESEARCH OBJECTIVE 4:**  
**Interaction between organisational climate and personality**

	<b>Outgoing</b>	<b>Enthusiastic</b>	<b>Adventurous</b>	<b>Imaginative</b>	<b>Calculated</b>
Role Clarity (D)	<b>0.290</b>	0.087	<b>-0.279</b>	<b>-0.314</b>	<b>0.426</b>
Communication (D)	<b>0.378</b>	-0.119	-0.096	0.001	0.150
Leadership (D)	<b>0.227</b>	0.081	<b>0.233</b>	-0.020	0.065
Satisfaction (D)	0.075	<b>0.270</b>	-0.074	-0.023	-0.056
Tension (D)	-0.013	-0.067	0.142	0.023	-0.040
Propensity to Stay (D)	0.144	0.163	-0.165	-0.005	0.138

*Note.  $p < 0.05$*

**Observations:**

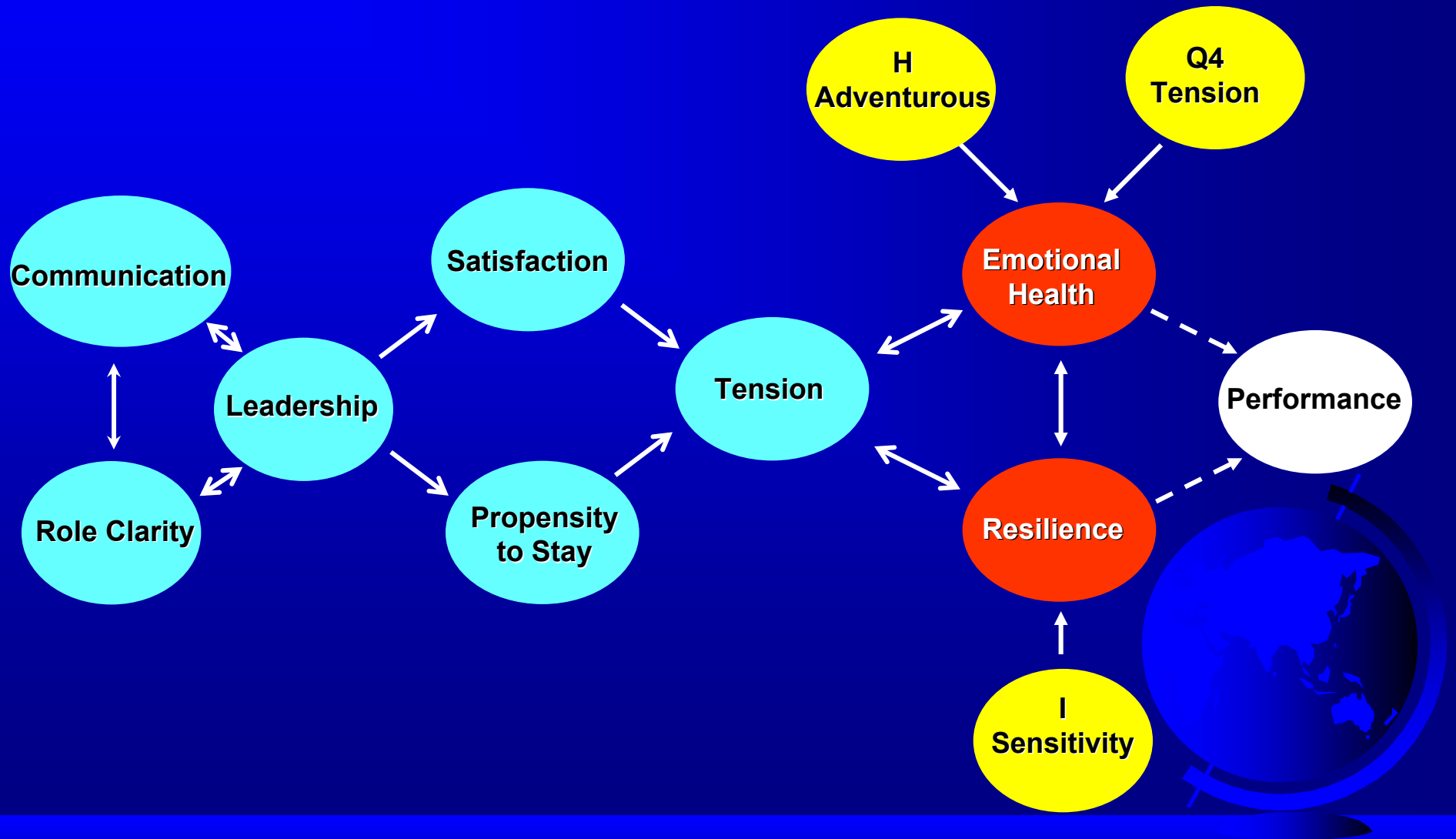
- Negative correlation between Adventurous + Imaginative versus Role Clarity (D)
- Positive correlation between Calculated (Impulsive) versus Role Clarity (D)



# EMG PRESENTATION

## RESEARCH OBJECTIVE 5:

Empirical model explaining interaction among personality, emotional health, and organisational climate while on assignment



## EMG PRESENTATION

### OLD PARADIGM TOWARDS EXPATRIATE MANAGEMENT

- Select the best (only) candidate for the international assignment. He or she will do the rest
- Role of HR to manage remuneration and administrative aspects involved with international assignments
- Nature of host country work environment difficult to control, therefore leave it up to the expatriate to manage his/her own environment
- Seagull management approach
- When unsuccessful assignment, poor selection process and incompetent expatriate
- Unplanned costs and consequences related to business and expatriate performance



## EMG PRESENTATION

### NEW EXPATRIATE MANAGEMENT PARADIGM

- Do not assume most suitable expatriate will automatically be successful on assignment
- Expatriate selection is only part of a larger expatriation process
- Be aware of the uncontrollable factors having impact on expatriate performance
- However, take control and actively manage aspects that you do have control over
- In order to ensure their success, give expatriates what they do not want
- Management to play key role in managing expatriate adjustment and performance – minimize seagull approach
- Role of HR needs to change from reactive Administrative function to proactive facilitator of change
- Coordinated approach in managing international business and expatriate performance

