



Ross School of Business at the University of Michigan

Independent Study Project Report

TERM : Winter 1999

COURSE : OM 750

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TITLE : Managing the Expatriate Cycle

Managing the Expatriate Cycle

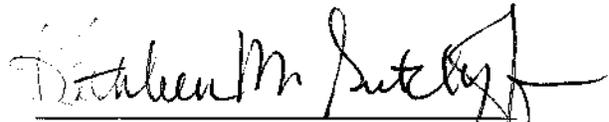
By

Jeffrey Stafford

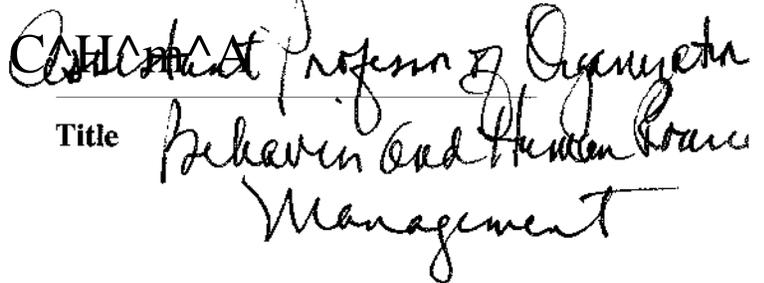
**A research paper submitted in fulfillment of the requirements for 1.5 credits,
GRADUATE INDEPENDENT RESEARCH PROJECT Winter Term 1999.
Professor Kathleen Sutcliffe, Faculty Supervisor.**

Faculty Comments

Increasing globalization means that more and more companies must send employees and their families to other countries. Yet, recent research shows that a high percentage of these assignments end in failure. This study extends current research in this area by focusing on the factors that contribute to more effective management of the expatriate process — from the selection of an employee, to the return of that employee to his or her original "home." The paper will be useful to people considering an overseas assignment, as well as companies who are interested in more effectively managing their expatriate cycle.



Signature of the Faculty Supervisor



Title Professor of Organization
Behavior and Human Resource
Management

Independent Study: Organizational Behavior

Student: Jeffrey Stafford

Faculty: Professor Kathleen Sutcliffe

Field of Study: Managing the expatriate cycle from selection to repatriation.

Purpose of the Study

This study focuses on how to effectively manage expatriates from the selection process until they return "home" as repatriates. I have chosen this topic because I was recently selected for an overseas assignment and am officially an expatriate. My family and I will leave for Central Europe in June of 1999 and will live and work there for three to five years. I see this as an excellent opportunity for my career, but as I started the pre-departure phase of the cycle I became more concerned that my company may not be looking out for me as much as I thought they were. I chose to research the topic of managing expatriates to: better understand what I will actually encounter, prepare myself and my family for the assignment, learn how to leverage the assignment upon my return, and to compare how effective my company is at managing the expatriate cycle.

The expatriate cycle consists of selection and assessment, pre-departure training, moving and performing the assignment, and repatriation. This research paper is a compilation of research performed by experts in the expatriate management and cross-cultural training field. I have focused on summarizing the key points for each phase of the cycle allowing anyone to receive a deeper understanding and compare their companies policies and procedures without having to perform a tremendous amount of research. There is plenty of information out there and it indicates that this topic is becoming more important as companies expand globally and look to develop new markets and global leaders. I believe that this paper can be used by anyone who has been chosen for an overseas assignment as

a preparation guide or by any company who wants to understand how to effectively utilize and leverage expatriates both on assignment and when they return to their home country.

Introduction

As the business world becomes more global and more competitive everyday, companies are finding themselves operating and competing in markets they know very little about. How do companies learn about these markets, the culture, consumer preferences, and how to do business? As corporations move from multinational to fully integrated global companies, having a workforce fluent in the ways of the world will be a necessity to survive. Nearly 80% of midsize and large companies currently send professionals abroad, and 45% plan to increase the number they have on assignment within the next two years.¹ The need for expatriates is rising for two reasons; companies need specific skill sets in locations where those skills do not exist and they need to develop employees to ensure the companies long term future.

Using international assignments to develop employees and enter into new markets is expensive. In a company survey by The Conference Board, 50% of the companies surveyed indicated they spend 3 to 4 times an expatriate's annual salary to send him/her and their family overseas for a typical 3-year assignment.² Depending on the expatriates' level and destination country, companies are investing anywhere from \$300,000 to \$1.25 million per assignment. With so much capital at stake it is alarming that a high percentage of assignments end in failure. Out of 750 U.S., European, and Japanese companies surveyed, 43% to 53% of assignments were considered failures because of an early return or the individual did not perform up to expectations. Even more discouraging is of the

^{1,4} Black, J. Stewart and Gregersen, Hal B., "The Right Way to Manage Expats." Harvard Business Review Volume 77, Number 2 (1999): 52-63.

^{2,3} Mersovosh, Edward M., and McClenahan, John S., "The Care and Feeding of Expats." Industry Week December 1, 1997: 69-72

expatriates who finish their assignments, 80% feel their international experience is not valued , and up to 40% of them leave their companies within two years.⁴

During my last year in the Evening MBA program at the University of Michigan Business School, I interviewed with my own company and was chosen for an international assignment in Central Europe. I have chosen to research the expatriate experience to better prepare my family and me for the move we are about to make. I also wanted to investigate my company's expatriate policies and procedures against the market and hopefully help them make improvements to their program. My research focuses on managing the complete expatriate cycle from candidate selection to repatriation (coming back home), and what companies can do to improve the return on their expatriate investment.

The Expatriate Cycle

1. Candidate selection and assessment
2. Assignment preparation
3. Moving and performing the assignment
4. Repatriation

With demand for global leaders rising, the research indicates that most companies are not doing a very good job managing the complete cycle. A survey of 125 Global Leaders in 50 International corporations, found that few have a process for developing global leaders and most are using a hit or miss approach towards development. Yet 85% of these companies felt they did not have enough global leaders.⁵ With so many companies needing global leaders yet so few having a process to achieve their desired results, it is

⁵ Robertson, Robin, "Most Companies are Poor at Global Assignments." Australian Financial Review August 14, 1998: 57-58

not hard to understand why so many assignments end in failure or why expatriates leave their company shortly after they return.

Each step in the management cycle is important and demands attention. There is not a specific step to concentrate on and there are no cookbooks that a company can follow to guarantee success. The research indicates that the best companies are charting their own courses to meet their individual needs. Consistencies among the most effective companies are; they continually review and upgrade their policies to meet current global business challenges, and they focus on each phase of the expatriate cycle. These companies retain more of their returning employees, thus creating a competitive advantage⁶.

1. Candidate Selection and Assessment

"You need leaders who are comfortable connecting with customers and markets all around the world."

Jacques Nasser, CEO Ford Motor Company

"The Jack Welch of the future can not be like me. I've spent my whole career in the U.S. The next head of GE will be somebody who has spent time in Bombay, in Hong Kong, in Buenos Aires."

Jack Welch, CEO General Electric

As evidenced by the above comments from two of the most respected CEOs in the world, an international assignment is now a requirement to make it to the top of the corporate ladder. Eighty percent of 108 Senior Executives from Fortune 500 companies agree that living and working in a foreign country was the most influential development experience in their life. With this type of message, everyone with the ambition to someday reach the top is required to put his or her name in the assignment hat. But, does ambition to be a Senior Level Executive qualify a person for an assignment? With the expense involved is it smart to pass out the assignments to all who are interested?

⁶ Bennett, Rita and O'Gorman, Heidi, "Benchmark with the Best." HRMagazine April, 1998: 19-21

Companies do agree that to decrease the rate of failure and increase their return on investment, selecting the right person is critical. Although they agree on this point, there is no agreement on the process for selecting and assessing individuals. How are candidates identified? From Windham International's Global Relocation Survey, Manager's recommendations were used 92% of the time to identify candidates. The least used source for identifying candidates was the Human Resource information system at 28%⁷, indicating that most companies lack a strategic, integrated approach for selection. After a candidate has been placed in the potential pool, the actual selection process among companies becomes diverse. A survey of 1,700 U.S. organizations representing 20 million employees gave the following results:⁹

<u>Selection Procedures</u>	Using	Considering
• Pre-Assignment visits	50%	13%
• Language Training	37%	20%
• Health, drug, alcohol screening	34%	8%
• Realistic job previews	33%	17%
• Technical skills assessment	26%	18%
• Family Readiness evaluation	16%	21%
• Psychological profile	11%	15%
• Cultural proficiency assessment	10%	22%

The diverseness in selection is the result of two issues; a checklist of guaranteed criteria for a candidate does not and probably never will exist, and legally a company can not disqualify someone based on an assessment. Another issue is that because managers are making the recommendations, they recommend their best and brightest. Managers do not necessarily want what they have labeled the "best and brightest" to fail an assessment and be disqualified. The disqualification could reflect on the manager's ability to assess talent. The assessment therefore becomes a matter of reducing risk and saving face by

⁷ Robertson, Robin, "Most Companies are Poor at Global Assignments." Australian Financial Review August 14, 1998: 57-58

⁸ Mersovosh, Edward M., and McClenahan, John S., "The Care and Feeding of Expats." Industry Week December 1, 1997:69-72

⁹ Frazee, Valerie, "Around the World: No Common Thread in Expat Selection" Global Workforce July, 1998:9

giving the candidate and their spouse enough information to allow the candidate to deselect themselves. This information is provided in the form of cross-cultural training over a period of 1-3 days. An outside company that specializes in international human resource issues and language training usually provides the cross-cultural training. The program that is offered focuses the candidate and the spouse on the realities of the destination as well as many of the problems they will soon to face, such as separation from family, spouse putting a career on hold, elderly parents that may need assistance, etc. There is also the day to day living and the situation of a new culture. A culture with beliefs and values that can be very different from what the couple is used to. This is accomplished through the use of self-evaluating assessment tools and outside consultants who have lived in the destination and can speak knowledgeably about history, culture, and day to day living.

Before investing in a cross-cultural training package or an expensive "look-see" trip for the candidate and their spouse, there are some fundamental questions and personality traits the manager and the human resource representatives can ask. The cross-cultural industry refers to these questions as evaluating the candidate's situational readiness.

1. Here at home, is there at this time any practical issue that requires my sustained attention, such as bankruptcy, divorce, aged parent, illness of a relative?
2. Does any family member that will accompany me abroad have a special need, medical, psychological, educational, sports, etc., that might be difficult to satisfy there?
3. Will my spouse be deeply disappointed about putting on hold a promising or lucrative career to accompany me?
4. Will I be taking along one or more children on my assignment? Especially if they are teenagers, how will they react to being uprooted?
5. Am I hoping the novel environment abroad will revive my marriage?

Worrisome answers to questions such as these should lead to a postponement for a few year's of one's candidacy for expatriation, not to an abandonment of that candidacy.¹⁰

There are numerous personality traits that each company and each outside consulting company use to gauge candidate's prospects for success. The following are the most common found from several professional web sites, human resource management journals, and various articles:

- **Tolerance:** Interest in local culture, differences, ambiguity, accepts the fact that "I have no idea what's going to happen today."
- **Confidence:** Having a positive self-image, self-aware but without an ego, attitude, strong values and a sense of identity, persistent.
- **Flexibility:** maintains an open mind, can communicate with others, curious, enjoys different types of people, and accepts there is more than one way to solve a problem.
- **Initiative:** self-starting and self-directing, self-reliant, willing to take risks, has respect for others.
- **Perceptual Acuity:** empathizes, savvy - alert to verbal and nonverbal cues, sensitivity - takes into account others' feelings, social, listens more than talks, collaborative negotiation style.

No one individual will possess all of these wonderful traits and not everyone will agree that this list is all-inclusive. The importance of such lists are to identify which traits are lacking, can these traits be improved, worked on, learned, or is the candidate lacking so many of the traits that they cannot realistically be considered any further. Again, a candidate cannot be disqualified; the candidates should realize their lack of situational readiness or personality traits and deselect themselves from further consideration.

It is evident that it is very difficult to select or send " The Right People". In addition to the assessment criteria there are some fundamental business practices that the manager

¹⁰ Grove, Cornelius and Hallowell, Willa. "The Ideal Expatriate" www.grovewell.com

can practice before sending someone overseas. Simply put the manager or executive should know why the person is being sent. Is it to transfer knowledge, develop the individual, solve an immediate business problem, put out a fire, etc.? Answering this question narrows the field of candidates and helps specify what skills and traits are needed for the assignment. One of the biggest mistakes companies make is assuming that technical skills alone qualify individuals for an overseas assignment. Companies with a winning record assign overseas jobs to people whose technical skills are matched or exceeded by their cross-cultural abilities.¹¹ Managers often send people who are technically smart but culturally illiterate.

2. Preparation

Phase two of managing the expatriate cycle is to prepare the candidate for living and working in his/her host country. First, the candidate needs to know exactly why they are being sent overseas. This requires managers to explicitly know why they are sending an employee overseas, and to convey the rationale for the assignment clearly and objectively to the employee. Surprisingly, approximately 70% of individuals and spouses attending cross-cultural training in the Detroit office of IOR, International Orientation Resources,

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did not know exactly why they were being sent overseas. This is a scary statistic because IOR's Detroit office serves some of the largest corporations in the world, in the world's most competitive industry, who have been sending large amounts of expatriates overseas for many years.

Making sure the expatriate clearly understands the assignment and has clear job objectives will help the employee focus on the task at hand. By taking the time to do this the manager has given the employee a tremendous head start to success. Without a rationale for the assignment, the employee is allowed to set his/her own expectations on

¹¹ Black, J. Stewart and Gregersen, Hal B., "The Right Way to Manage Expats." Harvard Business Review Volume 77, Number 2 (1999): 52-63.

¹² Kizawa, Yuji, Personal Interview, April 2, 1999

what needs to be done and what the assignment means to their career when they return. Without a clear outline and objectives the expatriate may think they are being groomed for top management when in reality they are being sent only to transfer knowledge, with no promotions or career development upon return. A misunderstanding before the assignment begins can lead to problem both during and after the assignment. An imbalance of expectations between manager and employee leads to dissatisfaction during the repatriation phase. This helps explain the high percentage of expats that leave their companies when returning from an international assignment.

The biggest reason that employees experience failure during the assignment is due to the expat family having trouble with cultural adaptability. For more than 20 years research has shown that spousal dissatisfaction is the leading cause of aborted assignments as well as expatriate "brownout" (expatriates performing poorly but remaining on assignment). The spouse is very involved in every aspect of the international assignment except performing the assignment. Together the couple does everything from making the decision and moving the family to learning a new culture and socializing with the new neighbors. The problem begins when the employee is at work. Because most countries do not allow the "trailing" spouse to work, this leaves the spouse at home all day dealing with getting the phone hooked up, getting the kids to school, talking with teachers and trying to buy groceries in an unfamiliar language and currency. This is an even larger problem for the spouse who has put his or her own career on hold to move to a foreign country. The loss of self-identity and feelings of inadequacy can overcome the spouse and family to the point where they are afraid to leave their house. Seclusion leads to more time to focus on the negatives, which accelerates depression.

This is a bleak but very realistic picture and despite the evidence that this situation is not uncommon, most global companies do not have formal policies in place to respond to family and spousal issues. And the support programs most frequently provided are not

¹³ Grove, Cornelius and Hallowell, Willa "The Trailing Family: An overlooked Key to a Successful Relocation" Benefits and Compensation Solutions February, 1997: 45-46

necessarily those that companies rank as most successful. The Bennett Group, in a joint effort with Arthur Andersen and Cendant Intercultural, surveyed the top five performing U.S. companies in 10 key industries. These companies offered the following support programs and ranked their satisfaction with the program:¹⁴

<u>Support Program</u> <u>Program</u>	<u>Using</u>	<u>Satisfaction with</u>
• Language Training	95%	71%
• Destination / Settling in Services	88%	81%
• Cross-Cultural Training	69%	84%
• Candidate Assessment	50%	61%
• Other	28%	69%

The survey shows that cross-cultural training ranks highest in satisfaction yet only 69% of top performing companies are using this program. Almost every company offers language training, but there were no accompanying numbers in the survey that indicated what percentage of companies also offered language training to spouses. Cross-cultural training has been determined to be very useful but the key is to train the whole family, not just the employee. This includes children as well. The family will never settle in and enjoy the experience until the last person in the family has accepted their new surroundings. Finally, less than 33% of expats were offered and were satisfied with their training, and only 39% are willing to take another assignment.

Why are so many expats dissatisfied with the experience? Most of the problems do center on preparation. What initially looks lucrative and sounds romantic can turn into a nightmare quickly when the company buys your plane tickets and ships your belongings overseas. There are several myths that are at the root of why companies do not see preparation as being that important, especially for European expatriates. These myths are discussed in an article by Barbara Fitzgerald-Turner, a human resource professional that had actually designed expatriate programs and then actually found herself as a "trailing

¹⁴ Bennett, Rita and O’Gorman, Heidi, “Benchmark with the Best.” HRMagazine April, 1998: 19-21

spouse" when her husband accepted a job in France.¹ The myths focus on companies not seeing Europe as being difficult to live in, under estimating the difficulty in day to day living. Companies also feel that they are sending the best and brightest and giving them very good allowances to live abroad, why should they have difficulties or complain about anything. And employees are reluctant to ask for help because it may be perceived as a sign of weakness. That it is important for the employee to have language skills but not the spouse, and that the spouse who is on career hiatus should cope during the assignment, it just takes time to adjust. Ms. Turner points out allowances and premiums can not make up for daily frustration and employees are quoted that they would trade some of their allowances for better pre-departure preparation and support.

Companies cannot predict nor foresee every potential problem an expat's family may face. Therefore as with selection criteria there is not a list that will guarantee total preparation for employee, spouse, and family. The critical items for preparation include a "look-see" trip for employee and spouse, cross-cultural training for the entire family - after the "look-see" trip, and language training for the entire family.

The "look-see" trip is crucial because it allows the couple to see their new community, find a home they both feel comfortable with, meet the management at the new company, and visit potential schools for the children. Combining cross-cultural training after the "look-see" trip allows the employee and spouse to better relate and understand the training. Plus they will have many questions they would have never thought of before the trip overseas. The trip and cross-cultural training are part of preparation but are also part of the selection process. Candidates can always deselect themselves if after seeing the destination and learning about its culture they determine it just isn't a good fit. Candidates should not feel pressured into acceptance after coming home from the "look-see" trip. It should be clear that the trip has several purposes and the main purpose is to see if they can function in the new culture.

¹⁵ Fitzgerald-Turner, Barbara "Ways to Help Expatriate Families Adjust" HRMagazine June, 1997: 35-43

Language training for both employee and spouse should begin as soon as possible. It is much more critical for the spouse to learn basic language skills than it is for the employee. The employee will probably go to work and speak English with fellow workers while the spouse is forced to function within the community. It is also recommended that children beyond the age of eight also attend language training as well as cross-cultural training. Professional training companies have special programs for kids to help them prepare for the upcoming changes in their lives.

The cost of thorough preparation can cost up to \$10,000 for a two-day cross-cultural training program and eight days in a language immersion program for the employee and spouse.¹⁶ Add the cost of the "look-see" trip and the cost may double to \$20,000. Based on the expense of sending an employee and family overseas for three years, \$20,000 is approximately 3% of the average investment a company makes in an expat. A very small price to pay for an insurance policy on a possible \$1.2 million investment.

3. Moving and Performing the Assignment

Training is over with, the company has bought the plane tickets and the movers have packed everything away. The expat family has arrived in their new home and is ready to hit the ground running. Is it realistic to think that the expat or the family will be able to adapt overnight? How productive will the expat be on the job within the first six months? As discussed in the preparation section, this can be the make or break time for the assignment. As critical as this time is, it is the least written about and least focused on by companies. Most companies are spending their money on selection and preparation while the expat is still in the home country. After the expat arrives in the host country, the home country usually turns the responsibility over to the host country. This may be due to a time and distance factor, but potentially it is more of a financial or accounting factor. Lacking hard evidence to prove this, my theory is that expats do not receive support after

¹⁶ Frazee, Valerie "Send Your Expats Prepared for Success" Global Workforce May, 1998: 15-22

the move because they are off of the home country's books. The host country is picking up all the large living expenses and sees more training as more off of the bottom line.

The expat family is now left on their own to experience:

- The Honeymoon Phase
- Culture Shock
- Conspicuous Consumption

The honeymoon phase can be described as the first few weeks or month after arrival when it still seems like everyone is on vacation. There are new surroundings, a new house, a new school, and new things to see and experience. The family may be in temporarily staying in a hotel, which relieves everyone of household chores and responsibilities. During this time most families still have a sense that everything is temporary and things will return to normal soon.

After time passes the vacation comes to an end. Nothing has returned too normal and the family begins to experience culture shock. Culture shock is defined as: the reaction people have to the differences that surround them in a new environment and to having all the familiar supports knocked out from under them.¹⁷ In simpler terms culture shock occurs when the simple things you once did on a daily basis now seem frustrating and impossible. Examples are going out to eat and not being able to read the menu, trying to buy meat from a butcher who can only smile politely as you try to explain what you want, or experiencing failure with management tactics that always worked back home. Culture shock can also be related to disappointment in expectations, specifically the discomfort one feels in a new environment when encountering people who do not behave the way you expected them to.

The result of this culture shock was described in the preparation section. That it why it is important to try and learn as much about the host country as possible before actually moving. Knowing what to expect and preparing for different behaviors will ease and to

¹⁷ Kalb, Rosalind; and Welch, Penelope. Moving Your Family Overseas. Intercultural Press, Inc: 1992

some degree prevent culture shock. The best advice is upon arrival get involved with the new community by signing the kids up for activities, continuing language classes, and most importantly speak the language no matter how fractured the pronunciation. The more words and phrases that can be learned, the less strange and incompetent the individual will feel. Also, the local people will appreciate the effort and be more acceptable of a stranger.

The most compelling reason to learn the language of another land is because of the symbolic significance of the act of communication. At its most fundamental, the attempt to speak with people in a foreign country is an acknowledgement of their humanity and individual worth, a sign that we take them and their concerns seriously.¹⁸

This advice can be found in several books (see recommended readings) but is also confirmed by conversations with expats from inside and outside of my own company.

Coping with culture shock requires that the expat and family put to use the personality traits outlined in the selection and assessment phase. Although flexibility, confidence, patience, curiosity, and sociability are all important, the most important trait to utilize during this time of adjustment is keeping a sense of humor. Don't take the difficult situations too seriously and learn from them. The most rewarding part of the overseas living experience will be the sense of accomplishment.

Conspicuous spending is a result of the windfall of allowances and cost of living adjustments most expat families experience when moving overseas. For the first and only time in their lives these families may be temporarily free of financial stress. They may also for the first time end up with domestic help, gardeners, or drivers. This allows the family much more free time than they are used to. Couple that with the extra income and the result is a very volatile situation. The situation can be neutralized by having a plan on what to do with the extra time and money. There is no guarantee of happiness by

¹⁸ Storti, Craig: The Art of Crossing Cultures: Intercultural Press: 1990

spending it all shopping, vacationing in a new location every weekend, saving it all for college and retirement, or a mixture of all of the above. The important thing is that the expat and spouse agree to a plan and stick to it. This time is stressful enough without one partner going in the opposite direction of the other with a very important resource.

For the expat to be effective the whole family needs to feel comfortable and functional in their new host country. It is a fallacy to think that 1 to 5 days of pre-departure training will allow individuals to hit the ground running and be effective. To increase the chances of everyone settling in and avoiding extreme cases of culture shock, companies can provide additional training four to six weeks after the family arrives. Four to six weeks allows the family to settle in, they will be over the honeymoon phase and will have plenty of questions regarding daily living and some frustrations they already feel. When they leave the training they are going right back into the new culture and are ready to apply what they have just learned. Compare this to pre-departure training, when that finishes the family walks back into familiar settings with friends and neighbors that think and behave like they do, unable to apply what they learned until one or two months later.¹

4.Repatriation

The end of the expatriate cycle deals with bringing the expat and family back home. Sounds simple enough, no problems with culture, friends and family are here, the employee is returning to their old job, and the kids get to see their old neighborhood and old friends again. Everything is like they left it. Based on the previous phases that have been studied it should be clear how ridiculous those statements are. Nothing could be further from the truth. Research shows that expats and their families actually experience more severe reverse culture shock upon returning to their home country than their initial culture shock overseas.

¹⁹ Grove, Cornelius and Hallowell, Willa. "Cost Effective Expatriate Training" International Insight Summer, 1996: 21-24

So what are companies doing to help bring their expats home and minimize reverse culture shock for the entire family? Unfortunately the surveys indicate that most companies are not taking repatriation issues very seriously. From a previous survey of top U.S. companies, conducted by The Bennett Group, fewer than half have formal repatriation programs or policies to ensure successful transition of expats after the assignment is complete.²⁰ Another statistic indicates that 66% to 75% of U.S. companies offer some type of orientation for pre-departure, only 28% have repatriation programs for returnees.²¹ Fewer than half helps explain the high turnover and high levels of dissatisfaction among repatriated employees. Black and Gregersen along with Storti have compiled the following data associated with returning expats:

- 33% of expats are still filling temporary assignments three months after returning home.
- 75% felt that their permanent position upon returning was a demotion.
- 61% lacked opportunities to put their foreign experience to work.
- 25% left their companies within one year.
- 50% left within three years.
- 26% were actively looking for a job.
- 74% did not expect to be working for the same company one year later.

As stated earlier companies are investing hundreds of thousand dollars and sometimes over a million on sending employees overseas. These are large investments and are supposed to be strategic, leveraging the employees knowledge and new international skills upon their return. How can companies improve these discouraging statistics and reap the return on their investment? The following steps gathered from several sources can be used as a guideline:

1. Begin repatriation at the preparation stage: Setting realistic expectations for the employee also includes expectations upon their return. The experts suggest even developing a repatriation agreement when reviewing the assignment and objectives.

²⁰ Bennett, Rita and O'Gorman, Heidi, "Benchmark with the Best." HRMagazine April, 1998: 19-21

²¹ Storti, Craig The Art of Coming Home. Intercultural Press, Inc., 1997

Nothing can be guaranteed, but there should be an international / domestic career planning process with options and requirements for the employee.

- 2. Carry career planning throughout the assignment:** Assign a mentor for the duration of the assignment to keep the employee in the loop and avoid the "out of sight, out of mind" syndrome. The mentor should be at least two levels above the employee and should actually be an investment manager, responsible not only for the expatriate's welfare, but also for the company's welfare. Mentoring gives the expat the opportunity to stay informed, visit the mentor on home leaves, receive feedback, and a source of support.
- 3. Prepare repatriates for reverse culture shock:** The most difficult adjustment is that no one thinks the repat needs to adjust. Upon repatriation the expat goes through basically the same steps as he or she did when they entered their host country. Departure, honeymoon, reverse culture shock, and readjustment are the four stages of reentry. Reverse culture shock is the same uneasy feeling about not feeling comfortable, the environment is different, there are no routines, expats feel different as if they do not fit in. In reality the expats are different, they are a cultural hybrid, seeing the world differently than their home country colleagues and feeling frustrated that there is no one who understands them. A repatriation program after the honeymoon phase is effective for these problems, similar to the cross-cultural training program during the moving and performing phase.
- 4. Cultivate a global mindset in the home office:** The critical phase is now utilizing the repat's knowledge and new found skills in their new environment. Some suggestions are to pay attention and understand what the repat was doing on their overseas assignment. How many people did they supervise, how much decision authority did they have? It is important to keep the repat at the same level of authority they were used to overseas. They come back empowered and excited, ready to put their new skills to work and make a contribution. What they usually face is a lack of authority, a cubicle they share with another person, and assignments that have nothing to do with what they did overseas, and a real lack of visibility. The repat goes

from being bored to frustrated to angry and then they leave and go to the competition.

UTILIZE THEM!

The number one word used by repatriates to describe how they felt upon their return is "under appreciated". The company helped them get their furniture back home but that is as far as it went. The company readjusted their salary at an average loss of 30% right at the time they are facing huge financial responsibilities buying a house and car(s). And their families are having a harder time adjusting to being back home than they did adjusting to being overseas. Some additional items the company can help with are:

- Celebrate their return by meeting them at the airport or throwing a welcome home party. Thank the whole family for the sacrifices they have made.
- Do not expect peak performances until the employee and family become settled and are over their reverse culture shock.
- Save part of their pay or bonus for the return home, this is when they will need it the most.

Conclusion:

Managing the expatriate cycle requires investing time and money in each phase. It would be convenient to have a selection and assessment process that would guarantee an individual's success and also guarantee a huge return on the companies investment, but such a process does not exist. To minimize the risk of a failed assignment and increase the probability of realizing a return on investment, companies should manage the expatriate like a capital investment, or more appropriately a scarce strategic resource. Managing expats as a cost instead of an investment results in companies basically throwing money in the trash. If executives and managers were accountable for expat investments the way they are for book value assets, then more companies would be managing each phase of the cycle instead of just a select few.

When surveys from the top 50 companies in the U.S. show that fewer than half have repatriation programs, it sends a message that managing the expat cycle is not viewed as very important. Based on the research I found, most companies are focusing on the pre-departure phase of the cycle. I believe this is true because it is the easiest to accomplish. There are certain tasks such as: cross-cultural training, language training, policy debriefing, and "look-see" trips that companies can check off as they are completed. The human resources department can easily measure completion of these items, and complete their job. My research leads me to conclude that most companies are not integrating their functional departments to leverage their resources. The fact that 92% of candidates come from their manager's recommendation and most of those assignments are to put out a raging fire, indicates most companies are not creating pools of potential candidates and then screening them before a need arises. In other words, long term planning and leadership development does not seem to be on the top of most executives' lists. In integrated companies the human resources department would have a large amount of influence on who should be sent overseas to work on what type of assignments. Also, integration would lead to companies having a repatriation program and mentors. These mentors would be measured on expat utilization, retention, and return on investment.

My research has been very helpful for my family and me. I have learned a tremendous amount about the expatriate cycle including some things that scare me to death. The point that sticks with me the most is that my life and that of my families' will never be the same. We are about to embark upon an adventure of a lifetime and it is up to us to make the most of it. We will live in a culture we will never fully belong to and we will return to our culture with a new and different perspective than our friends and neighbors.

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