

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

The purpose of this chapter is threefold. Firstly, the main findings of this research in relation to the three research questions will be discussed individually. Secondly, discussion on future research directions. Finally, this chapter will conclude with the implications for management.

5.1 CONCLUSIONS OF THE STUDY

This thesis addressed two main areas of interest: (1) the definition of expatriate failure and (2) the factors contribute to expatriate failure. This subsequently formed the basis for the two research questions, which will now be discussed individually.

Research Question 1: How is the failure of international assignments defined?

It has been argued throughout this thesis that defining expatriate failure within the scope of premature return is insufficient and inappropriate, as this term should take into account other aspects that were tested in propositions 2 to 4. Unfortunately, most literature continues to define this term within narrower boundaries (see e.g. Ashamalla 1998; Fukuda and Chu 1994). Not only does

this undermine the accuracy of studies in this area, it also means they are of limited relevance to practitioners.

However the results of this research show that there is a stark contrast between theory and practice. Although expatriate failure is defined predominantly as premature return in most literature, the research results demonstrate that this is not the most appropriate definition. Propositions 1 to 4 clearly show that (re) expatriates defined expatriate failure in much broader terms than the literature suggests. More specifically, the first proposition shows that a minority of the participants believed that premature return was an accurate indicator of expatriate failure. Participants believed that others factors such as not achieving performance objectives and the inability of the expatriate to adjust to the new environment, to be more satisfactory indicators for expatriate failure.

This is consistent with Shaffer and Harrison's (1998) argument that the definition of expatriate failure should encompass a great deal more than premature return. Propositions 2 to 4 show that other contingencies such as performing under par, repatriation difficulties and the undervaluing of the repatriates' skills and knowledge are just as important when accessing the degree of success of an international posting.

Therefore, the results of this research indicate that the definition of expatriate failure should be contingent on factors other than just premature return.

Research Question 2: What are the predominant factors contributing to expatriate failure?

The factors contributing to expatriate failure have attracted much academic attention due to its tendency to incur significant costs for the expatriate, the expatriate's family and the company (Daniels and Insch 1998; Mendenhall, Dunbar and Oddou 1987). One of the most influential studies conducted on this topic is by Tung (1987) and her main findings have been illustrated in Table 1 (section 2.2.1). Despite these findings, Tung (1987) identifies that although the manager's lack of technical competence ranks only in sixth place for the predominant factors for expatriate failure, it is the most common selection criteria by companies when choosing potential expatriates.

This is supported by the findings in proposition 5. Over half the (re) expatriates reported that their successful selection for the international assignment was due to their ability to display exceptional technical competencies at home. However, only one (re) expatriate believed that the main factor for expatriate failure was technical incompetence, reconfirming Tung's (1987) finding of the relative insignificance of technical incompetence as a contributor towards expatriate failure.

The support for proposition 8 also provides evidence to confirm Tung's (1987) on the reasons for expatriate failure. The manager's personality or emotional immaturity is still perceived to be the main factors for expatriate failure. This is illustrated in Table 4.3 (Section 4.2).

The importance of the expatriate ability to adjust to the new environment was consistent across both research findings. One of the main findings of this study was that the role of the parent company was perceived to be important in influencing the degree of success of an international assignment. Many participants noted that the lack of continued home company support and communication was also an important contributor towards expatriate failure.

Therefore, the predominant factors for expatriate failure were still perceived to be the expatriate personal factors; personality and emotional immaturity, personal skills on management, language and communication. .

5.2 FUTURE RESEARCH DIRECTIONS

A valuable future research direction is to examine the definition of expatriate failure from both the (re) expatriates' and companies' perspective to determine whether differences in interpretation exist. This methodological difference is significant because previous literature has only focused on empirical evidence from one or the other, presenting a rather incomplete picture. Differences in the definition of expatriate failure will have implications upon the estimation of expatriate failure within the organization and the perceived reasons for it. It is important to reconcile these differences, as there should be a uniform definition of this term within an organization so that expatriate management can be carried out effectively.

Another useful research direction is to incorporate both qualitative and quantitative research methods in future studies on expatriate failure. This study shows that a qualitative approach is appropriate because it has been able to provide extensive and in-depth responses from the participants, which is ideal for this type of study. One of the vital advantages of this approach is that it has helped to improve existing literature rather than simply assessing it (Maxwell 1996). This should be the main aim for most research projects. However, the addition of quantitative methods will increase the strength of the results and contribute valuable information that a qualitative approach may not be able to gather. For instances, patterns of correlation or causation with expatriate failure and the reasons for it, may be better explained by a quantitative approach as opposed to a qualitative one. By combining the two research approaches, future studies might be able to capture the benefits of both methodologies.

The degree to which headquarters' support, or the lack of it, contributes to expatriate failure is another area that deserves further research. The inadequacy of perceived headquarters' support by (re) expatriates was reported to be the third main reason for expatriate failure. This is inconsistent with Tung's (1987) findings, as this factor was not identified in her six main reasons for expatriate failure. This suggests that the headquarters' role has emerged to be increasingly important to the overall success of the international assignment, a factor that has not been previously identified. To date, there has been very limited empirically-based research, which tests whether there is any correlation between inadequate headquarters' support

and expatriate failure. Given the results of this research, further research in this area is warranted.

5.3 IMPLICATIONS OF THE STUDY

Several findings that have been drawn from this study can benefit several parties or groups concerned.

5.3.1 The expatriate

Future expatriate can now have an idea what need to plan and act in minimizing the failure on their international assignment. These factors finding can reduce their fears and ambiguities as the expatriate of their firms.

5.3.2 The organization

This research has shown that the definition of expatriate failure according to (re) expatriates and companies is beyond the boundaries of premature return, as shown by most literature. Participants have found that other measures such as the inability to adapt, undervaluing of the repatriates skills, not achieving a assignment objectives and the lack of family assimilation to be more accurate indicators of expatriate failure. This is a significant finding as it raises the need for new literature to take these additional aspects into consideration when defining expatriate failure.

Another interesting finding of this study - that is not surprising, but deserves attention - is that the importance of the expatriate ability to adjust to the new environment is consistent with other literature (see Tung 1987). This is still believed to be one of the predominant factors for expatriate failure, and one that needs to be addressed with urgency. Numerous studies, inclusive of this one, have highlighted the importance of the expatriate's family in the international assignment and ultimately the success of it. This represents significant implications for management. Furthermore, as the lack of headquarters' support has been found to be one of the main contributors towards expatriate failure, this calls upon organizations to monitor their expatriates and their families more closely to ensure that they are coping with the international posting, from both a business and personal perspective.

This thesis has shown that defining *expatriate failure* by the single measure of premature return is misleading, inaccurate and insufficient. Unwillingness by contemporary literature to identify this flaw will result in the accumulation of information that is of limited relevance to practitioners and expatriates alike. Recognizing that there are more appropriate measures of expatriate failure may also change the way the reasons for expatriate failure are perceived. As the predominant reasons for expatriate failure have remained consistent, the significance of the role of the home company has increased as a contributor towards expatriate failure. Organizations need to be aware

of this, as well as the continued importance of the expatriate adaptability in the management of expatriate assignments.

5.3.3 The governmental bodies/ authority

From the findings the major factors that contribute to the failure is the adaptability of the expatriate in new environment due to lacking of management, language skill and cultural sensitivity. This study can assist the relevant authorities on human resources to prepare and equip Malaysian work force with the right competencies to be a “global” employee.

In conclusion, the study had achieved its objectives and able to provide some contributions in understanding the expatriate management generally and specifically the factors contributing to the expatriate failure in the Malaysian multinational firms.