

## CROSS-CULTURAL CHALLENGES AND ADJUSTMENT OF EXPATRIATES

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### **ABSTRACT**

As there is an increasing change in the business world, MNCs have established foreign-owned subsidiaries and entered joint ventures and strategic alliances to create a presence in intercontinental competition and to take valuable production resources. Many prospects and disputes of globalization are creating the need for expatriates to find managers and skilled workers in intercontinental positions. However, the task of expatriate employment is confused by profound differences between countries in labor markets, culture, and legal and economic systems. Moving abroad is the first step on a journey of adjustment. So, to have access to skilled staff at the time and place required, maximum MNCs are becoming aware of a need to develop intercontinental experience across a wider range of employees, from host locations as well as from the home country. Expatriate employees are required to be selected not on technical expertise alone, but also on cross-cultural fluency to maximize the expatriate effectiveness and efficiency working in a different culture. Therefore, it becomes necessary to achieve the goals and objectives set by the MNCs by training the new expatriates. The purpose of this paper is to show the importance of training and care that can be taken to minimize the challenges that are faced by expatriates during their intercontinental assignment.

### **INTRODUCTION**

The ability to adjust to various work and non-work conditions in the host country leads to the success of global managers or expatriates. In an increasing change in the business world, MNCs have established foreign-owned subsidiaries and have entered joint ventures and to some strategic alliances to create a presence in the intercontinental competition which will take an advantageous production. Many opportunities and challenges in the global are creating the need for expatriates to locate managers and skilled workers in intercontinental locations. However, the task of expatriate employment is complicated by the profound difference between countries in the labor market, culture, legal and economic systems (Hill,2007). Then in domestic operations, the quality of expatriate employees and management are more critical in the Intercontinental environment. MNCs of all sizes (small, medium, or large) that have subsidiaries in foreign countries are facing the problem of training, selecting, compensating as well as reintegrating expatriate managers. Despite the problem, these expatriate managers are contributing significantly to the achievement of the MNC's goals, and as a result many opportunities and challenges of the globalization have created the need for expatriates to locate managers and skilled workers in international locations. The task of expatriate employment is complicated by the profound differences between countries in labor markets, culture, legal and economic systems (Hill,2007). In this intercontinental environment, the quality of expatriate employees and management is even

more critical than in domestic operations. MNCs that have subsidiaries in foreign countries are confronting the problems like training, selecting, compensating, and reintegrating expatriate managers. Even with the problem, these expatriate managers are significantly contributing to the achievement of the MNC's goals and as a result, their importance should not be overlooked (Treven 2003).

Driving forces embedded in the expatriate

Individual Variable supporting adjustment	
Outlook	Personal characteristics and skills
Positive surprises by expatriate	Positive affectivity – optimistic
Positive experiences that are met by expatriate	Tolerance for ambiguity
Previous relevant overseas experience	Open-mindedness
Desire to experience new cultures	Willingness to cede control
	Flexibility, feedback, and listening
	Extrovert, risk takeover enjoys the initiative, strong belief in the ability to succeed, sense of humor

## 1. Background

As more organizations have become global in their operations, cross cultural management becomes crucial to their operations. The performance of people in the organization, around the world and how to work in the organizations with employees and client population with many diverse cultures which becomes curial. when employees move overseas assignment they encounter with many cross-cultural problems. Cultural clashes among foreign and local values are inevitable were expatriates experience challenges.

## II. LITERATURE REVIEW

**Sreelekha.P and Dr.Nateson.C(2011)** :With reference to Bengaluru, India this study emphasized on the problems faced by the expatriates' family, job, and cultural perspectives.

The results indicate that the sample selected the age and satisfaction with monetary benefits depending on each other. so there is a relationship between a number of years of experience and pre-departure training given by the company; previous intercontinental experience and expatriates' work satisfaction are dependent; there is a relationship between expatriates' who are preferring to travel abroad and the ability of a spouse to adjust to the culture of the foreign country; marital status and willingness to return to India are dependent. In spite of these problems faced by the expatriates, the study reveals that eighty percent would like to revisit the many countries, given an opportunity.

Gitte Brynningsen (2009): this is a study about Managing expatriates on international assignments. This study is dealt with managing expatriates when they are sent on foreign assignments. they identify five generic functions of managing people: 1. Recruiting/selecting 2. training 3. Appraising 4. Rewarding and 5. Developing

Semere Haile et al (2007) study has analysed the various challenges faced by Expatriates abroad. MNCs have focused on intercontinental training and management development on new expatriate assignments. For the success of any MNCs, effective training for expatriates is required. The studies review provides the view that more sensitivity needs to be paid to the intense training needs for the benefit of MNCs, expatriates, and family members. To succeed in a globally competitive environment, MNCs need to effectively train expatriates in

international capabilities, including fluency in foreign languages and in the ability to adapt to different cultures. Those international assignments can lower the probability of expatriate failure through training programs.

### III. RESEARCH METHODOLOGY

**Statement of problem:**

The difference between the home country and the host country's culture is stated as a cultural gap. Adjusting to a culture where there is a huge cultural gap, the expatriate faces a lot of adjustment problems and has to learn an extensive set of new behaviours. so this study addresses the challenges and adjustments of expatriates in a Cross-cultural context.

**Research objectives:**

1. To realize the challenges of expatriates in intercontinental assignments.
2. To examine how the expatriate can adjust to the culture of another country.
3. To analyze the significance of cross-cultural factors on the adjustment aspects of expatriates.

**Hypothesis:**

**Ho: Cross-cultural factors are significant for expatriates to adjust in the host country**

**H1: Cross-cultural factors are not significant for expatriates to adjust in the host country**

#### 3.4 Primary Data:

Primary data has been collected using a structured and focused questionnaire, which covered various dimensions of the research questions. A random sampling technique was used to collect data for the research. The sample size consisted of forty respondents who are Expatriates working with various MNCs in Bangalore city.

#### 3.5 Secondary Data:

Secondary data has been collected from books, the internet, literature, and other relevant documents. Magazines, Journals, Fact sheets and Web resources, online libraries, and websites are other sources.

#### 3.6 Statistical Techniques Used

**Chi-square test:**

The application of the chi-square test in this study was to determine whether there exists a relationship between the expected frequencies and the observed frequencies in one or more categories. The test was also used to find out whether cross-cultural factors are vital for expatriate adjustment.

### IV. DATA ANALYSIS

#### 4.1 Testing of hypothesis:

Table 1: Showing the Testing of the Hypothesis for cross-cultural factors. Hypothesis	Level of Significance	DOF	Tabulated Value	Calculated Value	Accepted/R ejected

Cross-cultural factors are significant for expatriates to adjust in the host country	5%	16	26.29	11.05	Null Hypothesis is accepted
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### Interpretation:

As the calculated value is less than the tabulated value, Null Hypothesis is accepted. It is inferred from the chi-square test that the cross-cultural factors are vital for an expatriate adjustment and hence the companies should provide adequate cross cultural training for an individual before his departure to other country.

### V .FINDINGS

1. In selecting an expat for a global assignment, the focus is on ascertaining the cultural awareness and the fit for the host country's culture. In preparing an expat for a global assignment, there is no gainsaying the fact that his/her success depends on how fast he/she acculturate in a host country. Acculturation demands that the expatriate is aware of the cultural nuances of the host country. MNCs offer cross-cultural training to teach their expatriates, the host country's appropriate norms and behaviours.
2. The results showed that with the sample selected, the cross cultural factors such as food, language, and business culture, economic and political conditions are significant for an expatriate to adapt in host country.
3. It is evident from the research that companies are encouraging women employees to take up foreign assignments. Not only men are sent on overseas assignment but even women too are sent. So we can infer that the opportunities are being provided to women as well.
4. Many executives and managers sent to man foreign operations are usually chosen for their skills and accomplishments within their native country. The assumption is that 'if they can do it at home, they can do it abroad'. Research suggests this is not the case - cross cultural differences usually make such skills defunct in a new environment.
5. Maximizing the chances of an employee's success in a foreign location is a critical business priority. If a manager or executive is sent abroad and fails to either settle into the new culture or work effectively with his/her new colleagues, the whole venture will be a waste of valuable time, effort and money.
6. Expatriate relocation assignments fail for a variety of reasons such as Cross cultural differences account for or impact upon many, such as the inability to adapt, spouse dissatisfaction and poor job performance.

### VI .SUGGESTIONS

These cross cultural challenges can be reduced by adopting the following strategies:

**Length of the assignment:** Before choosing someone for an overseas assignment, it is important to define the assignment, what skills are necessary, and the length of time the assignment is expected to be. All of these factors should influence the choice of the person going. Obviously, for shorter assignments (a few weeks or less) the following issues will vary in importance.

**Identification of Host country:** The intensity of the overseas experience is in direct relation to how the climate, culture, and language differ from one's own. The greater the degree of difference, the more intense, and therefore stressful, the experience for example: An American going to Britain will not have as intense an experience as an American being sent to Asia, Africa or the Middle East.

**Identification of international skills and experience of the employee:** Before the employee is sent to host country the company has to see whether he has travelled internationally earlier or not. The company should also see that whether international assignee is familiar with host country language, culture, and customs of host country. The most important thing a company has to look into is whether the employee is ready to move on to host country or not.

**Identification of personality/psychological make-up:** Adapting to life in a foreign environment requires flexibility and a high tolerance for ambiguity on the part of the sojourner, because there are so many things that are difficult to understand or simply don't make sense within one's own logic. Choosing someone who is flexible, open, and can deal with differences easily will increase the chances of successful adaptation. "Culture shock" is a very real phenomenon, and the degree to which this is experienced depends on the person, the 134 country involved, and the training and support they are given. Some people, no matter how well they perform their job, are unsuitable candidates for an overseas assignment because their personalities and make-up do not lend themselves to such a major transition. Some folks are exhilarated by these kinds of assignments, and some are not, and companies lose money when they can't tell the difference.

**Health conditions of the employee:** The adaptation to an overseas assignment can be extremely stressful, especially if the culture and climate are very different from one's own. In addition, unfamiliar viruses and bacteria can stress the immune system, which also requires time to adapt. It is not unusual for expatriates and their families to get sick more often when they go overseas. So it is essential to make sure the person whom the company is sending is in good health, to begin with.

**Importance for Family members:** Having one's family along on an international assignment provides support to the employee, but also requires training and ongoing support for all family members. An employee can't function well in a foreign environment if their family members are miserable, a fact that many companies have come to appreciate after an employee cuts short an assignment prematurely because of family stress.

**Management of people in the foreign country:** If the employee is expected to not only function well in an international setting but also manage others who are culturally different from him/her, all of the above issues become even more critical. Having an international coach/consultant on the team to help choose and prepare the right individual will greatly improve the success rate.

**Provision of Pre-departure training:** Pre-departure training about cross-cultural adaptation in general, communication, and information about the country the employee (and family) is being sent to is crucial. Depending upon the role they will fill, language training is recommended, especially in cases where they will be managing people who speak a different language than they do.

**Adequate on-going support during the overseas assignment:** Having a coach that specializes in international business/expatriate living available for regular discussion with the employee and members of their family, via telephone, is an investment that will pay off for the company. The transferred employee will have higher morale, lowered stress, and will be

able to talk frankly with someone with international business experience, helping to improve their performance while on assignment.

## VII. CONCLUSION

Even though companies are supporting expatriates during their onsite assignments, still they are facing problems pertaining to adaptation and acculturation. It is the personal ability of the individual to be culturally sensitive and flexible in their country of operation. Once an individual is selected, an intensive training and learning program is essential to qualify that person for an international assignment. It is during the face-to-face interviews that the diversity and significance of learning and training practices become clear for international assignment. Development should also extend beyond information and orientation training to include sensitivity training and field experiences that will enable the expatriate manager to understand cultural differences better. Those in charge of the MNCs' international training and learning program should provide training needed to protect expatriate managers and employees from career development risks, reentry problems, and culture shock. It is the role of the MNC to understand in terms of encouraging expatriate employees to learn knowledge, skills and attitudes congruent with its objectives in global business operations, which are important to job and business performance.

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