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# Keys to Global Executive Success



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# Presentation Outline



- **Overview & Importance of Topic**
- **Sample Characteristics**
- **Model of Cross-cultural Adjustment**
- **Methodology**
- **Main Findings -- Keys to Success Abroad**
- **Implications for Multinational Corporations**
- **Implications for Research**
- **Conclusion and Questions**



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# Importance of Topic



- Failure rates of 16 to 50% (*Dowling & Welch, 2005; Shaffer & Harrison, 1998*)
- Demand exceeds supply (*Black, Mendenhall & Stroh, 1999*)
- Increasing number of assignees (*Black & Gregersen, 2000*)
- Intercultural competence is low (*Kealey, 1996; Pucik & Saba, 1999*)
- Shortages of experienced and capable expatriates have become increasingly acute (*Pucik & Saba, 1999*)
- Increasing recognition of international work experience as a critical competitive asset (*Bhaskar-Shrinivas, Harrison, Shaffer, Luk, 2005*)



# Importance of Topic



- Approximately 150,000 U.S. expatriates
- Direct costs of approx. \$ 1 million per expatriate (*Shaffer & Harrison, 1998*)
- Indirect costs (loss of future business, damaged corporate reputation, training, relocation, salary, family sacrifices)
- “Many organizations are just beginning to face this staffing issue and they have little experience from which to draw.” (*Porter & Tansky, 1999*)



# Gaps in the Literature



- Integrative Models of Cross-cultural Adjustment (*Caligiuri & Day, 2000; Bhaskar-Shrinivas, Harrison, Shaffer, Luk, 2005; Kealey, 1996; Ones & Viswesvaran, 1997*)
- Expatriate Outcomes (*Shaffer & Harrison, 1998; Takeuchi, Tesluk, Yun & Lepak, 2005; Takeuchi, Yun, Russel, 2002; Takeuchi, Yun, Tesluk, 2002; Van Dyne & Ang, 2000*)

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# Expatriates



Employee on a non-permanent work assignment  
in a foreign country

## **ROLES...**

- Control agents
- Language translators/ mediators
- Knowledge diffusers
- Socialization agents
- Network builders/mentors/coaches
- Intra-organizational info gatherers

# Assignment Purposes



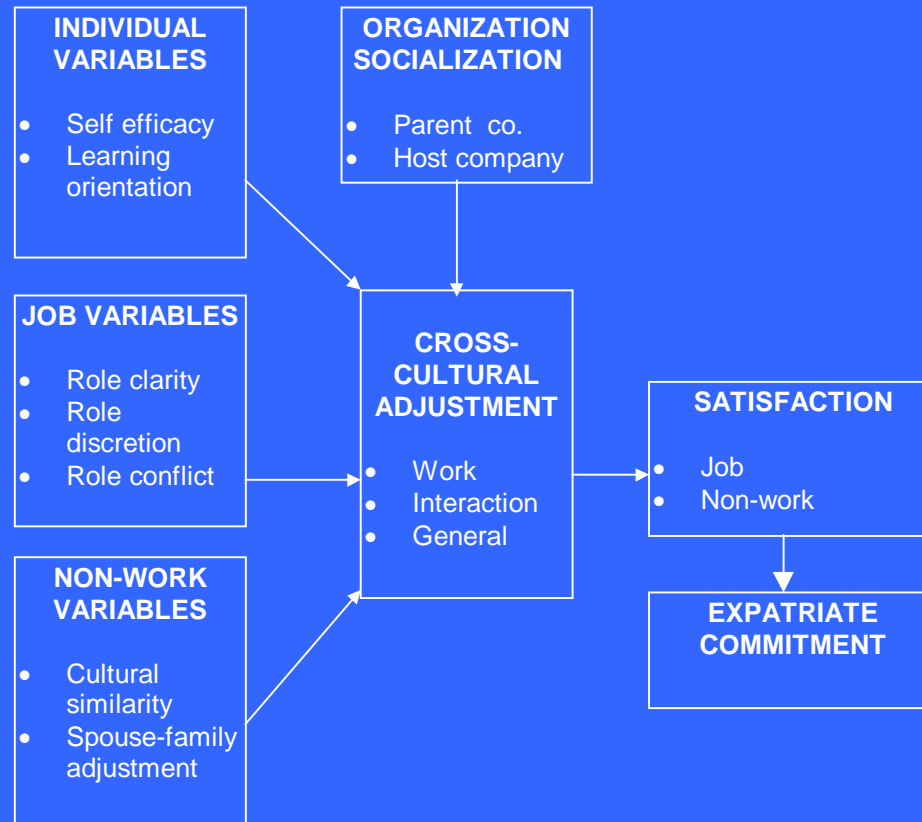
- **Fill a position (most common)**
- **Management Development**
  - Training & development
  - Career development
  - Succession planning
- **Organizational Development**
  - Strategic Integration
  - Change Management
  - Organization Learning
  - Organizational Culture

# Sample Characteristics



- 196 U.S. managers registered with the American Chamber of Commerce;
- Assigned to Japan, S.Korea, & Netherlands;
- 87% senior executives from multiple industries;
- 92% male;
- Average age of 45;
- Average tenure of 13 years;
- 57% previous experience abroad;
- 88% married; 80% spouses accompanying them;
- 75% children; 64% accompanying them.

# Model of Cross-Cultural Adjustment



# Methodology



- Research Design
  - Cross-sectional
  - Structured Survey Questionnaires
- Data Analysis Strategy
  - Factor Analyses
  - Descriptive Statistics
  - Multiple Regression Analyses

# Methodology



- Measures

- Individual Variables

- Self-efficacy (adapted from Jones, 1986)
- Learning orientation (Porter & Tansky, 1999)

- Work Variables

- Role Clarity (Rizzo, House, & Lirtzman, 1970)
- Role Conflict (Rizzo, House, & Lirtzman, 1970)
- Role Discretion (Black & Gregersen, 1991)

- Non-work Variables

- Cultural Similarity (Black, 1990)
- Spouse-family adjustment (Black & Gregersen, 1991)

- Socialization (adapted from Jones, 1986; Chao et al., 1994)

- Parent Company
- Local Company

# Methodology



- Measures

- **Cross-cultural adjustment** (Black & Stephens, 1989)
  - Work
  - Interaction
  - General
- **Satisfaction**
  - Job (Hackman & Oldman, 1975)
  - Non work (Guzzo, Noonan, & Elron, 1994)
- **Commitment** (Gregersen & Black, 1990)

# Methodology



- Demographic & Control Variables
  - Job title
  - Gender
  - Age
  - Country of assignment\
  - Number of previous assignments
  - Total time in current assignment
  - Tenure in parent company

# Main Findings



## Antecedents

## Adjustment

	Work		Interaction		General	
	H	A	H	A	H	A
Self Efficacy	+	+	+	+		
Learning Orientation	+	+	+	+	+	+
Role Clarity	+	+*	+	+		
Role Conflict	-	n	-	n		
Role Discretion	+	+*	+	+		
<b>Spouse-family Adjustment</b>			+	+*	+	+*
Cultural Similarity			+	n	+	+*
Parent Company Socialization	+	n	+	n	+	n
<b>Local Company Socialization</b>	+	+	+	+*	+	+*

# Main Findings: Adjustment Factors



- **WORK ADJUSTMENT**
  - Role clarity
  - Role discretion
- **INTERACTION ADJUSTMENT**
  - Spouse-family adjustment
  - Host company socialization
- **GENERAL ADJUSTMENT**
  - Spouse-family adjustment
  - Cultural similarity
  - Host company socialization



# Main Findings: Expatriate Attitudes



- **JOB SATISFACTION**
  - Work Adjustment
  - Interaction Adjustment
- **NON-WORK SATISFACTION**
  - General Adjustment
- **COMMITMENT**
  - Job Satisfaction



# Pre-departure Training?



- 66% -- no training;
- 18% -- less than a week;
- 3% -- more than two weeks;
- 13% -- non-responses.



# Do it again?



- 87% said “yes”
  - Why yes? - “learning experience;” “gratifying;” “rewarding”
  - Why no? - “loss of contact;” “lack of recognition”
- What would you do differently?
  - “cross-cultural training” (6%)
  - “language preparation” (21%)



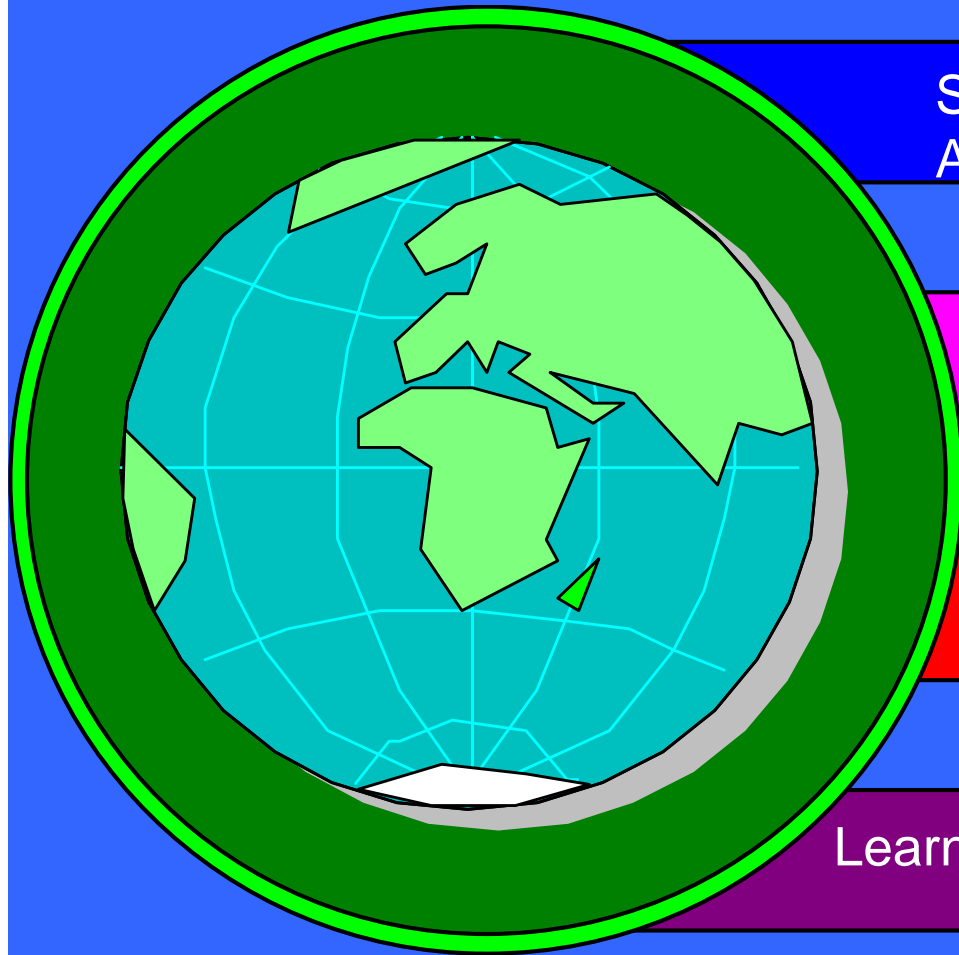
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# Challenges & Limitations



- **Generalization**
- **Common Method Variance**
- **Self Reports**
- **Response Rates**
- **Cross-Sectional Design**

# Implications for MNCs



Spousal/Family Assistance

Host Company

Job Design

Learning Orientation

# IHRM Implications



- Spouse/Family Training
- Family Support Programs
- Spousal Assistance Programs
- Host Company Socialization Tactics
  - Social Functions and Informal Gatherings
  - Joint Training Initiatives for Host Nationals and Expatriates
  - Networking and Mentoring
  - Informal Education Experiences

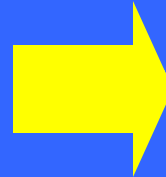


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# Reengineering Global HRM Practices

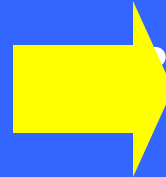


- **Focus on Pre-Departure Selection**



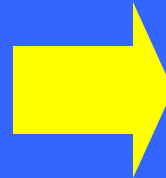
**Post-departure, Host Company Socialization**

- **Generic Training**



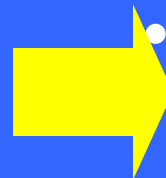
**Continuous Learning**

- **Focus on Job**



**Job & Non-Work Issues**

- **Expat as agents of control**



- **Expat as socialization agents & knowledge diffusers**

# Global Success Factors



**Self-Efficacy**  
**Learning Orientation**  
**Role Discretion**  
**Role Clarity**  
**Spouse/Family**  
**Socialization**

**They can't all be packed...**

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# Future Research Directions



- **Socialization (Host Company)**
- **Interaction Adjustment's relationship to Expatriate Attitudes**
- **Cultural Intelligence**
- **Organization Culture Novelty**
- **Organizational Performance**
- **Expatriates as Agents of Organization Learning**
- **Female Expatriates**

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- It is time for people to move beyond an awareness of the urgency of global competition and begin to develop skills for success in the global arena (Nancy Adler)
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**“Globalization is no longer an objective, but an imperative”**

(Jack Welch)



“ In today's global economy, having a workforce that is fluent in the ways of the world isn't a luxury. It's a competitive necessity. No wonder nearly 80% of midsize and large companies currently send professionals abroad - and 45% plan to increase the number they have on assignment”

(Black & Gregersen, 2000)

