



Factors Affecting the Success of International Assignments

KEYWORDS

Repatriation, Family, Spouse, MNC.

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ABSTRACT *The increased internationalization of business has made the understanding of international human resource management problems important for executives in multinational corporations (MNC). Many companies today have subsidiaries through the world. By having subsidiaries in a foreign country, employees are prepared to transfer abroad. Even though international deputation has been around quite some time, MNC's are still besieged with the success of international assignment.*

This paper focuses on the factors which influences the success of international assignment. The main objective is to examine the factors influencing the success of international assignment. The study is based on the empirical data which was collected from 500 Indian repatriates who work for MNC. Data collection is made through structured questionnaire. T-test was used to analyse the data. Major findings revealed the fact that spouse support and family support is the significant factor which influences repatriates for completion of successful international assignment.

1.0 Introduction

Due to increased internationalization, many executives believe that if they lack employees with global skills, their organizations will lose their competitive edge. Therefore, they realize that employees who understand their global businesses are needed. The most effective way to achieve international experience is by having employees live and work within the foreign business arena for several years (Webb, 1996).

Unfortunately, international assignments are sometimes poorly planned and disorganized, leading to poor job performance and/or job displacement. The costs of failed international assignments are high, both financially for the organization and from an individual career perspective. Failures can also be devastating for the expatriate's self-esteem and ego, if the assignment is not considered successful (Webb, 1996). Thus, the main focus of this paper is to analyse the factors which contributes for the successful completion of international assignment.

1.1 Review of literature

The various challenges affecting the implementation of international assignee selection programs are reviewed below. These include the large influence of non-work predictors of the international assignment success (e.g., issues with children and spouse, spouse career etc.), the differences among firms in their prioritization of international assignment selection, and the generally low utilization of international assignee selection. Spouse adjustment is important topic since their adjustment and adjustment of repatriate influence each other reciprocally. The study of Gregersen and Stroh (1998) showed that financial and housing conditions after repatriation, social status at home country, time spent overseas and cultural distance between host and home countries influence spouse adjustment. In addition, their interaction with people and meeting of expectations upon their return appeared as other factors (Hammer et al., 1998). It should be noted that spouses' career prospects after return also influence this process (Andreason & Kinneer, 2005; Hammer et al., 1998). Spouses may need to quit their jobs due to the geographic move and the inability to transport their work or may be unable to work once arriving due to limitations on work visas. Children's education will also affect the success of international assignments as children need to change schools — and begin again in a new school with the associated social and academic upheaval. (Caligiuri, Hyland, Joshi et al., 1998). Further, members of the family may be without their familiar supports— friends, extended families, hobbies,

pastimes, sports, faith communities, and more. Past research has found that international assignees' family-level characteristics (i.e., family's cohesion, communication, adaptability, and interest in the relocation) are related to family-level cross cultural adjustment to live in a foreign country — and that family adjustment, in turn, is a mediator of the relationship between family characteristics and expatriate adjustment to working in the host country (Caligiuri, Hyland, Joshi et al., 1998).

1.2 Research Methodology

A mail survey was targeted at 1000 repatriates who were deputed to international assignments by Indian MNC. The number of returned questionnaires was 500 representing a response rate of 50%. The scale ranged from 1-Very unimportant, 2-unimportant, 3-neutral, 4-important, 5-very important. The hypotheses were formally tested by means of t-test. T-test was used since this statistical procedure determines if two distributions differ significantly from each other.

1.2.1 Objective of the study

To examine the factors influencing the success of international assignment.

1.2.1 Hypothesis Testing

H₀: There is no significant relationship between spouse support, family adjustment, spouse career, children's education, support from other dependent family members, language, cross-cultural adjustment, destination difficulties and success of international assignment.

H₁: There is significant relationship between spouse support, family adjustment, spouse career, children's education, support from other dependent family members, language, cross-cultural adjustment, destination difficulties and success of international assignment.

1.3 Result

Sample means, standard deviations, standard error mean, are displayed in Table 1. The mean score for spouse resistance to international relocation is significantly having higher mean scores than the midpoint of the scale. Hence, it is revealed that spouse resistance to international relocation is the strongest significant factor which decides the success of international assignment ($p = 0.000$, mean value=3.4940, $t = 10.551$) followed by children's education ($p = 0.000$, 3.4780, $t = 9.891$), cross-cultural adjustment ($p = 0.000$, mean value =3.440, $t = 10.045$), family adjustment ($p = 0.000$, mean value =3.440, $t = 9.826$), spouse career ($p = 0.000$, mean value

=3.4200, $t=9.479$), ability to speak the language ($p= 0.000$, mean value =3.3600, $t=8.266$) and degree of difficulty of destination location ($p= 0.000$, mean value =3.2260, $t=6.091$).

1.4 Discussion

According to Paik, et al. (2002) the process of an expatriate's re-entry to the home country is a complex interaction of

several job-related factors, socio-cultural factors and family factors. In this Juncture, the researcher intended to identify the perceptual difference among the repatriates towards the factors affecting repatriates adjustment after repatriation. One sample statistics is applied for the large sample size to identify the significant perceptual difference.

Table 1: One-Sample Statistics

Test value =3						
Factors	N	Mean	Std. Deviation	Std. Error Mean	t	Sig.
Spouse/partner resistance to international relocation	500	3.4940	1.04697	.04682	10.551	.000
Family adjustment	500	3.4440	1.01040	.04519	9.826	.000
Spouse's/partner's career	500	3.4200	.99074	.04431	9.479	.000
Children's education	500	3.4780	1.08067	.04833	9.891	.000
Support from other dependent family members	500	2.9840	1.00487	.04494	-.356	.722
Ability to speak the language	500	3.3600	.97381	.04355	8.266	.000
Cross-Cultural adjustment	500	3.4440	.98834	.04420	10.045	.000
Degree of difficulty of destination location	500	3.2260	.82964	.03710	6.091	.000

Source: Primary data (Jan 2011-Oct 2011)

It is important to analyze variable-wise significant elements for the derived difference among the repatriation. Since, the repatriates with problems differ in their opinion towards success factor after international assignment. One sample t-test was applied on the factors which have an impact on success of international assignment.

This research shows variations between the repatriates perception concerning various factors affecting the success of internal assignment. While probing different factors ,which influence the success of international assignment, following are identified.

- Spouse adjustment is another important topic since their adjustment and adjustment of repatriate influence each other reciprocally. This research revealed the fact that spouse support is the greatest factor affecting the success of international assignment. As an employee when he/she is given an opportunity to work abroad, spouse should support both in expatriation and repatriation phase. More, the support of spouse, more the success of international assignment. This is supported by previous research conducted by Gregersen and Stroh (1998) ($p= 0.000$, mean value=3.4940, $t=10.551$).
- It is found that children's education plays vital role in deciding the success of international assignment. This is supported by previous research conducted by Caligiuri, Hyland, Joshi et al., 1998 ($p= 0.000$, 3.4780, $t= 9.891$).
- From the above table, it is statistically proved family adjustment plays a vital role for successful international assignment ($p=0.000$, mean value =3.440, $t=9.826$). This is supported by previous research by Tharenou (2003) shows that family issues affect the willingness of an employee to accept a foreign assignment. Further, a study by GMAC the most common reason for refusing an international assignment was family concerns. Similarly, Tung and Arthur Andersen (1997) found that few employees would accept an international assignment if their families objected to the assignment or could not accompany them.
- Results of the study conducted by Gregersen and Black (1996) revealed that cross-cultural adjustment has an influence in the commitment of repatriates. This is supported by this study which revealed the fact that cross-cultural adjustment is the second crucial factor which leads to success of international assignment ($p= 0.000$, mean value =3.440, $t=10.045$).

- Furthermore, researchers like Andreason & Kinneer, 2005; Hammer et al., 1998 claimed that spouse career prospects after return also influence this process. This study supports the same and identified that Indian repatriates considered spouse career is one of the vital factor affecting the success of international assignment ($p= 0.000$, mean value =3.4200, $t=9.479$).
- Language barrier is potentially high in situations where cultures are widely differing and languages may not even share a common alphabet. Previous studies by Sargent & Matthews, (1998) found that language problems can contribute to problems of interpersonal relations during international assignment which is supported by this study as ability to speak the language is viewed as 5th vital factor which has an impact on success of international assignment ($p= 0.000$, mean value =3.3600, $t=8.266$).
- Indian repatriates perceive that the degree of difficulty of destination in international assignment is viewed as a significant factor which influences the success of international assignment as p value is 0.000 which is less than 0.05. Hence, null hypothesis is rejected ($p= 0.000$, mean value =3.2260, $t=6.091$)

1.5 Implications

In general, repatriates is of the opinion that for successful international assignments, spouse support is essential. Further, they believe that to complete the assignment objectives successfully, children's education, family adjustment during expatriation and repatriation is required. In addition, cross-cultural adaption is significant as cultural shock will affect the family and their behavior during expatriation and reverse cultural shock would affect after repatriation.

1.6 Conclusion

In order for MNC's to stay competitive in the future, it is of vital importance to have employees willing to accept international assignment. If spouse, family, don't provide support the employees properly, then it will affect the success of international assignment. An improved repatriation process delivers a message that the company appreciates international experience, and therefore, strives to compete successfully in the global market. In the end, an effective repatriation process will probably result in a higher employee demand for international assignments.

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