ABSTRACT

The purpose of this study was to understand the risk of failure as an expatriate manager in sub-Saharan Africa, given the high cost of failure and the cultural distance of African countries compared to South Africa.

The lack of cultural skills of Multi-National Corporations can hinder their success in doing business in sub-Saharan African countries despite their technical knowledge and proven Western management styles. This requires an expatriate workforce that understands the African environment and management systems in order to reduce the risk of failure.

This study surveyed the expatriate work force that have completed assignments in sub-Saharan African, using First World countries as a benchmark. The survey was web based and the questionnaire covered a wide range of issues from the failure rate, to challenges faced, to the determinants for success.

The results show that the sub-Saharan African group had a failure rate of 36% or 7 times higher than the First World group. This was caused by underestimating the impact of the large cultural distance and not preparing for the assignment through the correct training and pre-departure planning. The selection process to scan for the correct attributes and previous expatriate experience proved to be key determinants of success.

The results also show that among the top five reasons for failure are found those accepted in theory. The dominant reasons for failure were found to be the inability to cope with the larger assignment, adjustment issues with the expatriate, the inability of the spouse to adjust, family problems and the lack of technical competence. By far the most dominant of these reasons was the expatriate's inability to cope with the larger assignment.

The results show that 50% of the expatriates received a promotion together with their new assignment and it is proposed that this was a significant contributing factor to the inability to cope with their new assignment. The second most dominant reason was the expatriate’s issues with adjusting to the new environment and it is proposed that
cultural distance and lack of cultural skills and training are the main reasons for this finding.

The most likely scenario for failure is selecting an expatriate manager based purely on their technical competence without any expatriate management experience, promoting them to a higher position, and sending them into a foreign country with a significant cultural distance, without any training of the expatriate and family members, and then expecting them to perform successfully without any on the job support, yet many companies seem to follow this approach.

These findings will assist companies and expatriates in better preparing for future assignments in Africa, understanding that cultural distance and adaptability are important and cannot be ignored. The challenges of doing business in Africa should not be overlooked and the success of the assignment should not be left to chance.
ACKNOWLEDGEMENT

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This report is dedicated to my wife, Rhona, and children, Reuben, Rowan and Roxanne.

I certify that this report is my own work and all references used are accurately reported.

Signed
# TABLE OF CONTENT

Abstract i
Acknowledgement iii
List of Figures vii
List of Tables ix
Definitions xi
Abbreviations and Acronyms xii

Chapter One: Orientation 1

1.1 Audience 1
1.2 Contextual Setting 1
1.3 Research Problem and sub-Problem 5
1.4 Research Question 6
1.5 Research Objectives 6
1.6 Delimitation of the study 6
1.7 Importance of the Study 7
1.8 Research Constraints and Key Assumptions 8
1.9 Chapter outline 8

Chapter Two: Theoretical Foundation 10

Chapter Three: Literature Review 17

3.1 Introduction 17
3.2 Expatriate Management Defined 18
3.3 Staffing Policy 20
3.4 Cost of Failure 21
3.5 Reasons for Failure 22
3.6 Assignment Life Cycle 24
3.7 Assessing Success 26
3.8 Expatriate Managers Profiled 27
3.9 Selection is Key 32
3.10 Planning is Vital 36
3.11 Compensation 44
3.12 Dimensions of Culture 45
6.1 Discussion
   6.1.1 Proposition 1
   6.1.2 Proposition 2
   6.1.3 Proposition 3
   6.1.4 Proposition 4
   6.1.5 Hypothesis 1
   6.1.6 Hypothesis 2
   6.1.7 Hypothesis 3
   6.1.8 Hypothesis 4
   6.1.9 Hypothesis 5
   6.1.10 Hypothesis 6
   6.1.11 Hypothesis 7
   6.1.12 Hypothesis 8
   6.1.13 Hypothesis 9
   6.1.14 Hypothesis 10
   6.1.15 Hypothesis 11
   6.1.16 Proposition 5
   6.1.17 Hypothesis 12
   6.1.18 Proposition 6
   6.1.19 Proposition 7

6.2 Conclusion

6.3 Recommendation

References

Appendices
   Appendix 1 – Measurement Instrument Matrix
   Appendix 2 – Consistency Matrix
   Appendix 3 – Home Webpage
   Appendix 4 – Covering Letter Webpage
   Appendix 5 – Non-Disclosure Webpage
   Appendix 6 – Executive Summary Webpage
   Appendix 7 – Questionnaire Webpage
   Appendix 8 – Contact Webpage
   Appendix 9 – Final Codified Data Table
LIST OF FIGURES

Figure 1.1 – Brief Profile of sub-Saharan Africa 2
Figure 3.1 – Employee Trend over Time 21
Figure 3.2 – Framework of International Adjustment 41
Figure 5.1 – Period since return from Assignment 62
Figure 5.2 – Race Demographics of Expatriate Sample 62
Figure 5.3 – Marriage Status of Expatriate Sample 63
Figure 5.4 – Family Size of Expatriate Sample 63
Figure 5.5 – Management Experience of Expatriate Sample 64
Figure 5.6 – Major Challenges between sSA and RoW groups 69
Figure 5.7 – Major Challenges of Failed Assignments with sSA & RoW 70
Figure 5.8 – Major Challenges between sSA and FW groups 70
Figure 5.9 – Major Challenges of Failed Assignments with sSA & FW 71
Figure 5.10 – Major Challenges between South and East Africa 72
Figure 5.11 – Major Challenges of Failed Assignments with sSA 72
Figure 5.12 – Cultural Impact on Assignment Outcome 73
Figure 5.13 – Cultural Positioning amongst list of Key Challenges 75
Figure 5.14 – Cultural Adaptability 76
Figure 5.15 – Own Cultural Awareness 77
Figure 5.16 – Willingness to Interact with Host Nationals 79
Figure 5.17 – Assignment Life cycle 80
Figure 5.18 – Management Experience in years 81
Figure 5.19 – Management Experience on foreign assignments 82
Figure 5.20 – Management Level before and during assignment 83
Figure 5.21 – Assignment Definition 84
Figure 5.22 – Attributes and Skills 85
Figure 5.23 – Family Support 87
Figure 5.24 – Selection Process 89
Figure 5.25 – Selection Process – sSAF 90
Figure 5.26 – Selection Process – Technical Aspects 91
Figure 5.27 – Selection Process – Cultural Aspects 91
<table>
<thead>
<tr>
<th>Figure</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.28</td>
<td>Training Programs and Process</td>
<td>94</td>
</tr>
<tr>
<td>5.29</td>
<td>Training Programs for Families</td>
<td>95</td>
</tr>
<tr>
<td>5.30</td>
<td>Pre-Departure Planning</td>
<td>97</td>
</tr>
<tr>
<td>5.31</td>
<td>Pre-Departure Planning Cycle Length</td>
<td>98</td>
</tr>
<tr>
<td>5.32</td>
<td>Relocation Process</td>
<td>99</td>
</tr>
<tr>
<td>5.33</td>
<td>On Assignment Support</td>
<td>100</td>
</tr>
<tr>
<td>5.34</td>
<td>Management Style</td>
<td>102</td>
</tr>
<tr>
<td>5.35</td>
<td>Management Style – Decision Making</td>
<td>103</td>
</tr>
<tr>
<td>5.36</td>
<td>Management Style – Stakeholders</td>
<td>105</td>
</tr>
<tr>
<td>5.37</td>
<td>Management Style – Cultural Adaptability</td>
<td>106</td>
</tr>
<tr>
<td>5.38</td>
<td>Management Style – Constraints</td>
<td>106</td>
</tr>
<tr>
<td>5.39</td>
<td>Management Style – Local Adaptability</td>
<td>107</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 3.1 – Decreasing order of Cultural Toughness 30
Table 3.2 – Comparison of old and new profiled expatriate managers 32
Table 3.3 – Intercultural Competencies stated as important skills 35
Table 5.1 – Estimated Potential Respondents Reached 60
Table 5.2 – Country Split of Expatriate Sample 61
Table 5.3 – Failure Rates of entire SA sample 67
Table 5.4 – Failure Rates by Region 68
Table 5.5 – t-Test - Cultural Challenge between sSAF an sSAS 73
Table 5.6 – t-Test - Cultural Challenge between sSAF an SFW 74
Table 5.7 – t-Test - Cultural Adaptability between sSAF an sSAS 76
Table 5.8 – t-Test - Cultural Adaptability between sSAF an SFW 77
Table 5.9 – t-Test - Own Culture Awareness between sSAF an sSAS 78
Table 5.10 – t-Test - Own Culture Awareness between sSAF an SFW 78
Table 5.11 – t-Test – Willingness to Interact between sSAF and sSAS 79
Table 5.12 – t-Test – Willingness to Interact between sSAF and SFW 80
Table 5.13 – t-Test – Assignment Definition between sSAF and sSAS 84
Table 5.14 – t-Test – Assignment Definition between sSAF and SFW 85
Table 5.17 – t-Test – Family Support between sSAF and sSAS 87
Table 5.18 – t-Test – Family Support between sSAF and SFW 88
Table 5.19 – t-Test – Selection Process between sSAF and sSAS 90
Table 5.20 – t-Test – Selection Process between sSAF and SFW 90
Table 5.21 – t-Test – Technical Aspects between sSAF and sSAS 92
Table 5.22 – t-Test – Technical Aspects between sSAF and SFW 92
Table 5.23 – t-Test – Cultural Aspects between sSAF and sSAS 92
Table 5.24 – t-Test – Cultural Aspects between sSAF and SFW 93
Table 5.25 – t-Test – Training Process between sSAF and sSAS 94
Table 5.26 – t-Test – Training Process between sSAF and SFW 95
Table 5.27 – t-Test – Family Training between sSAF and sSAS 96
Table 5.28 – t-Test – Family Training between sSAF and SFW 96
Table 5.29 – t-Test – Pre-Departure Training between sSAF and sSAS 97
| Table 5.30 – t-Test – Pre-Departure Training between sSAF and SFW | 97 |
| Table 5.31 – t-Test – Relocation Process between sSAF and sSAS | 99 |
| Table 5.32 – t-Test – Relocation Process between sSAF and SFW | 100 |
| Table 5.33 – t-Test – On Assignment Support between sSAF and sSAS | 101 |
| Table 5.34 – t-Test – On Assignment Support between sSAF and SFW | 101 |
| Table 5.35 – t-Test – Management Style between sSAF and sSAS | 102 |
| Table 5.36 – t-Test – Management Style between sSAF and SFW | 103 |
| Table 5.37 – t-Test – Decision Making Style between sSAF and sSAS | 104 |
| Table 5.38 – t-Test – Decision Making Style between sSAF and SFW | 104 |
| Table 5.39 – t-Test – Stakeholder Style between sSAF and sSAS | 105 |
| Table 5.40 – t-Test – Stakeholder Style between sSAF and SFW | 105 |
| Table 6.1 – Top Five Challenges of the sSA Group | 111 |
| Table 6.2 – Top Five Challenges of the FW Group | 111 |
| Table 6.3 – Top Five Challenges of the Failed Group | 112 |
| Table 6.4 – Top Five Challenges of Southern & Eastern Africa | 131 |
| Table 6.5 – Top Five Challenges of Failed & Successful groups | 131 |
# ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AU</td>
<td>African union</td>
</tr>
<tr>
<td>EU</td>
<td>European union</td>
</tr>
<tr>
<td>FW</td>
<td>First World</td>
</tr>
<tr>
<td>HCN</td>
<td>Host country national/s</td>
</tr>
<tr>
<td>HRM</td>
<td>Human relations manager / management</td>
</tr>
<tr>
<td>MNC</td>
<td>Multinational companies / corporations</td>
</tr>
<tr>
<td>PCN</td>
<td>Parent country national/s</td>
</tr>
<tr>
<td>RoW</td>
<td>Rest of the World other than sub-Saharan Africa</td>
</tr>
<tr>
<td>SA</td>
<td>South Africa / South African</td>
</tr>
<tr>
<td>sSA</td>
<td>sub-Saharan Africa</td>
</tr>
<tr>
<td>sSAF</td>
<td>sub-Saharan African Failed Sample</td>
</tr>
<tr>
<td>sSAS</td>
<td>sub-Saharan African Succeeded Sample</td>
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<tr>
<td>SFW</td>
<td>First world Succeeded Sample</td>
</tr>
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<td>TCN</td>
<td>Third country national/s</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
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<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
</tbody>
</table>
DEFINITIONS AND ACRONYMS

A South African is defined as any person who currently holds a South African identity document or passport.

Management level is defined as any level in the organization that requires the incumbent to manage people as subordinates or indirectly as suppliers or contractors.

Thomas (2002) describes an expatriate manager as any manager who works (or has worked) outside of their native country.

There are three categories of expatriate managers:

- Classical expatriate managers typically span a three to five year period and the entire family relocates with the expatriate manager.
- Suitcase expatriate manager’s assignments also typically span a three to five year period, but the family stays in the home country while the expatriate manager works in the host country. The family or expatriate usually visits each other on a predefined visit schedule.
- Roaming expatriate managers typically take an assignment for a one to four week period and then return home.

A sub-Saharan African country is any country in Africa that falls south of the Sahara desert excluding South Africa.

A First World country is any country currently considered having first world status.

Hawley (1999) defined an expatriate manager as a failure if they either returned home prematurely from an assignment or they sat out of their contract non-productively.
The success rate is measured as failure rate and is the percentage of expatriate managers in the sample who have been deemed a failure expressed as a percentage of the total sample size.