

CHAPTER 1

ORIENTATION

1.1 Audience

The research report will be of interest to three groups of readers:

- a) Academics, scholars or students who are interested in, or wish to conduct research on, expatriate management or cross cultural management, in Sub-Saharan African countries, particularly those from South Africa.
- b) Companies conducting business, or considering doing business, in Sub-Saharan African countries, particularly those from South Africa.
- c) Managers working, or considering working, in Sub-Saharan African countries, particularly those from South Africa.

1.2 Contextual Setting

Africa, as a continent, has seemingly contributed little to the ever-increasing trends in globalization and world trade. Africa seems to be plagued with a vast number of limiting factors that prevent it from becoming a global force and from emerging as an economic power-house in the new global arena.

Theimann (2005), in her article titled "Connecting through culture, celebrating diversity: The African management context", commented that while Africa offers much lower labour costs than those in Asia, multi-national companies still tend to be discouraged by factors such as its political instability, corruption, poor infrastructure and its low purchasing power that characterizes the African business context. She points out that the continued weakness in management capacity tends to suggest that critical elements in the prevailing management culture, in Africa, have proved hostile or inhospitable, or both.

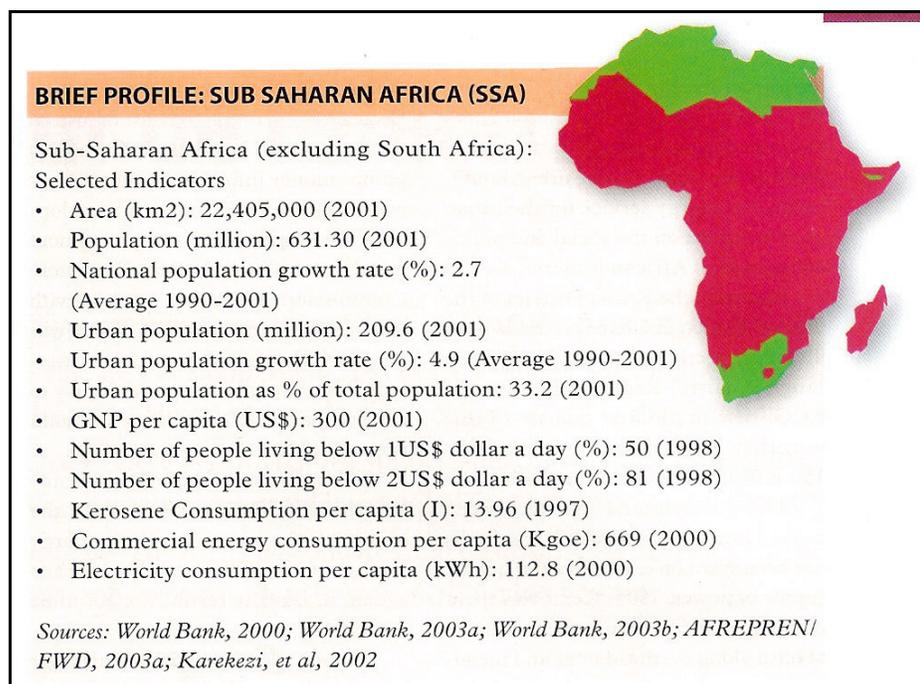
Jackson (2004) highlights the fact that sub-Saharan Africa has long suffered from varying degrees of mis-management, poor management and inappropriate management. He emphasizes that effective management of resources, which Africa has a wealth of, would be a logical way to alleviate human hardship and poverty, and to ensure the welfare and dignity of all African people on the continent.

“Current research suggests that the challenges of managing people on the African continent are further compounded by environmental uncertainties which impede planning. Other problems include governmental interference, social-cultural factors which appear to be at odds with contemporary industrial imperatives, inappropriate management practices, inappropriate leadership styles, adversarial labour relations, etc.” (Theimann, 2005:33).

Accram (2004) in his article, titled “Dying for Electricity” comments that urbanization is moving faster in Sub-Saharan Africa than in any other region. At present, as the profile in the above mentioned article highlights (profile below), sub-Saharan Africa (excluding South Africa) has a population of 631 million people of which two thirds live in rural Africa, spread over the 2,5 million square kilometers of area of sub-Saharan Africa. In 1998, 50% of this population lived below the 1US\$ per day line and an alarming 81% lived below the 2US\$ per day line as indicated in Figure 1.1.

These statistics demonstrate the poverty, and third world environment, that 67% of this sub-continent's people find themselves. Along with these sub standard living conditions comes a lack of education, wide spread disease and a general lack of life sustaining commodities.

Figure 1.1 Brief Profile of sub-Saharan Africa



It's not all bad news, says Lunsche in his article "Africa has room for optimism". He quotes Gordon Brown, the UK Chancellor of the Exchequer, who stated on his recent visit through Africa: "Trust me – things are going to be different this time." The British government's Commission for Africa is punting what Lunsche refers to as an ambitious three-pronged programme to rescue Africa out of its economic doldrums:

- A doubling of aid to Africa
- A 100% forgiveness of debt owed to the IMF and World Bank
- A promise to lobby for a better deal for Africa in world trade talks

(Lunsche, 2005).

Are international governments and businesses starting to recognize the value in investing in African countries or are they involved purely to uplift and enhance the well being of humankind? The answer to this question will undoubtedly attract much debate, but one thing is for certain. If Africa is to be an economic power and is to contribute to world trade in any significant way, it is going to have to become self-reliant and will have to sustain its own economic, political and social-cultural infrastructures into the future.

Jackson makes a vital point when he states, "Good organizational management is essential for the well-being of humankind." (Jackson, 2004:xi).

If sub-Saharan Africa is to develop a sustainable economy, those African countries that have already emerged, or are currently emerging, as globally competitive economies will have to support those African countries wishing to emerge and contribute to the overall success on Africa in the global arena.

President Thabo Mbeki in his address at the Africa Renaissance Conference in September 1998 stated "Our vision of an African renaissance must have as one of its central aims the provision of a better life for these masses of the people whom we say must enjoy and exercise the right to determine their future. That renaissance must therefore address the critical question of sustainable development which impacts positively on the standard of living and the quality of life of the masses of our people." (Jackson, 2004).

One way that this support could be achieved would be through an effective expatriate management program. Expatriate management is expensive and so the success rate is an important criterion for companies making use of expatriate managers to consider.

Hawley (1995) has established that the cost of failure of a South African expatriate manager can amount to from R 250 000 and could be as high as R 1 million, depending of salary scale and whether the family transferred together with the expatriate manager.

Tung (1982) indicates that the failure rate of American multinationals was from 20% up to 40%, compared to European multinationals of between 11% and 15%, and Japanese counterparts from 11% up to 19%. This indicates that failure rates are high and are typically found between 11% up to as high as 40%.

Muller (2003) has indicated that the failure rate of South African expatriate managers is as low as 1,8% when working abroad. This compares favourably when compared to first world countries and is as much as 6 to 22 times lower than the USA, European and Japanese multinationals. Muller proposes that South African expatriate managers are more adaptive and are more tolerant of cultural and country differences.

“Some authors have observed that the training of African managers appears to have been designed to divorce them from the societies it is supposed to equip them to serve. Hofstede claims that Western management theories, although widely taught, are not practiced by non-Western managers. There is a need to ascertain what constitutes ‘success’ in a particular culture. Therefore, what needs to be studied is the appropriateness of Western management systems in Africa from a cross-cultural perspective. Therefore, studying management in Africa would help answer an important need of different stakeholders, including the people of African Countries, the international donor community and international business managers.” (Theimann, 2005:33).

The above narrative highlights the desperate state that Africa as a continent finds itself. There is a high degrees of poverty, corruption, political instability and disease in Africa, yet the continent has many resources to offer, and has hope for the future as pointed out by Lunsche. The one thing that is certain is that if Africa is going to

become a global force, it is going to have to become self reliant and the stronger economic countries within Africa are going to have to play a significant role in its recovery and sustainability into the future. One way that this could be done would be through expatriate management exchange programs, which are expensive and so failure rates are a vital key success factor. African cultures and diversity are unique and in order to succeed in business in Africa, organizations will have to be aware of this diversity and will have to use appropriate management styles, rather than blindly adopting those of the west.

1.3 Research Problem and sub-Problems

In conducting international business in a foreign country, the dilemma that management faces is whether to staff the operations with expatriate managers from the MNC or with local management from the host country. When HCN lack the required technical skills to fulfill the position, expatriation assignments becomes mandatory, but they come at a high cost and have a significant failure rate. When a MNC desired to do business in Africa, they are faced with additional challenges from the African environment, such as cultural differences with Western cultures.

The questions facing management are thus, how to balance cultural differences against technical skills, where to find the appropriate expatriate managers, how to equip expatriate managers for these assignments and how to reduce the potential for failure?

The research problem is thus defined as:

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

The sub-Problems defined:

- An understanding of the difference in the success rates between South African expatriate managers who have worked in sub-Saharan African countries relative to those who have worked in First World countries.

- An understanding of the major reasons that lead to failure of expatriate managers in sub-Saharan African countries compared to First World countries.
- The key determinants that lead to expatriate management success in both sub-Saharan African and First World countries.
- Variation in success rates with respect to management demographics, management level, and expatriate management experience.
- Variation in success rates between sub-Saharan African countries and their key determinants.

1.4 Research Question

Is there a difference, and for what reasons, in the success rates of South African expatriate managers who have worked in sub-Saharan African countries when compared to those who have worked in First World countries?

1.5 Research Objectives

- a) To compare the success rates of South African expatriate managers who have worked in sub-Saharan African countries to those of South African expatriate managers who have worked in First World countries.
- b) To identify the key determinants that lead to this success rate, and to highlight any differences in determinants between sub-Saharan and First World countries.
- c) To identify variation in success rates with respect to management demographics, management level, expatriate management experience between sub-Saharan and First World countries.
- d) To identify variation in success rates between sub-Saharan African countries, and identify the key determinants that lead to this variation.
- e) To conduct a needs analysis for the improvement of expatriate success rate with sub-Saharan African countries.

1.6 Delimitation of the study

This study will only consider success rates of South African expatriate managers who have either worked in a sub-Saharan African or First World country, and no other countries, since to answer the research question the success rates of these two groups will be compared.

Roaming expatriate managers are excluded on the grounds that they seldom have the responsibility for executing long term strategic, operational or project based assignments and do not spend enough time on any one assignment, or long enough in any one host country, for us to understand their influence on the host society or the long term success of the organization for which they work.

The researcher is open to review any determinant of success, but the scope of this research report limits the determinants to those examined in the measurement instrument.

This study excludes anyone who is not a South African citizen since the interest lies in the success of South African expatriate managers in specific countries, and excludes any foreign expatriate manager who works in South Africa.

1.7 Importance of the study

The importance of this study should be considered with the audience of stakeholders in mind and are as follows:

- This study will provide results on the success (failure rates) of South African expatriate managers who have worked in sub-Saharan African relative to those who have worked in First World countries.
- The outcome of the success rates will demonstrate to international multinational corporations the benefits in employing South African expatriate managers into the global workforce and the influence they could have in those assignments.
- This study will provide insight into the determinants of success of South African expatriate managers who have worked in sub-Saharan African countries verses those of First World countries and will highlight the future success factors for expatriate management and their training needs.
- The outcome of this study will provide academics with insight into future empirical research requirements and will highlight potential areas of interest.
- The study will provide insight into training needs and appropriate management styles for expatriate managers working in sub-Saharan African countries.
- The study will eventually lead to an improvement in the standard of living of societies in the sub continent.

- Perhaps most importantly the study will ultimately lead to the improved well-being of humankind.

1.8 Research Constraints and Key Assumptions

Not knowing the size of the population prevented calculation of the appropriate sample size. We therefore assumed that an appropriate sample size for this exploratory study would be around 100 responses.

The size of the sample prevented detailed statistical analysis and testing of several propositions. Therefore we limited the testing to a simple two sample t-test to determine if there was an indication of a significant difference between the means to the two samples of interest. The shape of many of the curves limited the validity of the t-test and hence the analysis was limited to trend analysis.

As a student it was very costly to advertise and promote the web-site hosting the questionnaire, and as such the reach into the field of expatriates was very low.

Many target corporate companies either had their own internal expatriation survey or program and declined to get involved in the research, or simply were not interested, since furthering the body of knowledge in this field was not high of their agenda.

The Researcher assumed that the distribution of the sample would be more evenly spread across the sub-Saharan African regions and that the race demographic would also be more evenly spread. This has resulted in two propositions not being able to be tested, and has affected several others.

1.9 Chapter Outline

Chapter 1: Orientation

This chapter serves as the introductory chapter and will include the purpose of the study together with the problem statement and research question. It will also include definitions, delimitations and importance of the study as well as the outline of the research report.

Chapter 2: Foundation of the study

This chapter will provide the theoretical foundation of the study and will outline the scope of the body of knowledge.

Chapter 3: Literature review

This chapter will provide a review of relevant literature dealing with the research problem.

Chapter 4: Research methodology

This chapter will provide the outline of the research design and sampling design with the methodology for execution. It will contain the measurement instrument as well as the limitations of the study.

Chapter 5: Research results

In this chapter the results of the study will be tabled and displayed graphically.

Chapter 6: Discussion, conclusion and recommendations

In this chapter the outcome of the study results will be discussed, conclusions formulated and recommendations made to stakeholders.

Chapter 7: Article for publication

This chapter summarizes the research report in article format.

CHAPTER 2

FOUNDATION OF THE STUDY

Hill (2003) defines globalization as a shift towards a more integrated and interdependent world economy, and states that globalization has two main components namely the globalization of markets and the globalization of production. There is a fundamental shift occurring towards this world economy.

We have moved, and are still moving, rapidly away from a world where national economies are relatively self-contained entities and isolated from each other by barriers of cross-border trade and investment such as distance, time zones, language, differences in government regulations, business systems and culture. Instead we are living in and moving further towards a world in which these barriers to cross-border trade and investment have, and continue, to tumble. Distances are getting shorter due to advances in transportation and telecommunication technologies, national economies are merging into a interdependent global world economy and culture is starting to look similar the world over (Hill, 2003).

Globalization, according to Hill (2003), has increased a firm's opportunities to expand its revenues by marketing its products around the world and reducing its cost base by manufacturing in nations that gives the best balance in input costs. Since the collapse in communism policies in many nations has shifted towards a free market economic system. Regulatory and administrative barriers have been broken down, state-owned entities have been privatized, markets have been deregulated, all of which shows increasing competition and encouraging foreign investment. For businesses in this era, these are the best times to be expanding internationally and maximizing growth opportunities.

The globalization of markets refers to the merging of national markets into larger regional and ultimately one large global marketplace. The falling of barriers to cross-border trade has made it easier to market and sell internationally. Globalization of production relates to the sourcing of goods and services from locations around the world in order to take the best advantage of national differences in the cost and quality of production (Hill, 2003).

Companies that follow a global strategy seek to take maximum advantage of the experience curve effect and local economies, and follow a low cost strategy. They have standardized product ranges and manufacture in only a few locations that offer cost benefits and market and distribute products through a non-customized channel. These firms would make extensive use of expatriate management as they tend to retain their core competences in-house and the structures remain mostly centralized with a high need for coordination. Parent country nationals (PCN) therefore run the few foreign operations that they have, operating as expatriates in the host country (Hill, 2003).

This implies then that there is a third element to globalization, that of the global workforce that work abroad as expatriate managers in emerging regions where globalization or markets or production takes place.

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.

Tung (1982) indicates that the failure rate of USA multinationals was from 20% up to 40%, compared to European multinationals of between 11% and 15%, and Japanese counterparts from 11% up to 19%. This indicates that failure rates are high and are typically found between 11% up to as high as 40%.

This study showed that 76% of USA multinational companies have a failure rate equal or greater than 10% while Japanese multinational companies with a failure rate greater than 10% is only 14%, or greater than 6% is only 24%, and European multinational companies with a failure rate greater than 10% is only 3% and greater

than 6% only 41% compared to the poor USA performance (Tung, 1982).Tung's (1982) work shows that the failure rate of USA multinationals is much higher than that of European or Japanese multinationals. The main reasons given by the participants are listed below for USA and Japanese multinationals in order of highest to lowest:

USA Multinationals' top five reasons for failure:

- Inability for spouse to adjust.
- Manager's inability to adjust.
- Other family problems.
- Manager's personal / emotional maturity.
- Inability to cope with larger overseas responsibility.

Japanese multinationals' top five reasons for failure:

- Inability to cope with larger overseas responsibility.
- Difficulties with new environment.
- Personal / emotional problems.
- Lack of technical competence.
- Inability of spouse to adjust.

Thomas (2002) suggests that the adjustment of expatriates to the host country environment follows a U shaped life cycle and consists of the following four steps:

- The honeymoon stage during which the expatriate finds everything exciting and is interested in everything that they come across in the new host country.
- The culture shock stage is when the reality sets in and the expatriate starts becoming frustrated by their new environment and the differences from the home country.
- During the adjustment stage the expatriate starts to accept and adapt to the cultural differences, begins to find their rhythm for daily living in the host country and learns how to get things done.
- The mastery stage is reached when the expatriate masters the host country conditions and starts to function equally well as if they were at home.

Thomas (2002) suggests a number of key indicators that can be used to assess for a successful expatriate experience, namely:

- Whether the expatriate manager completes their agreed length of assignment. This is usually two to five years but for Japanese and European firms this typically is for a longer period of time.
- The extent to which the expatriate has been able to overcome the culture shock of the host country.
- The extent to which the manager adjusted to the new environment, which include factors such as satisfaction, absence of stress, psychological mood, conflict resolution, intercultural interaction, anxiety and life style changes.

Jackson (2004) proposes that while the above body of knowledge might have its place in western management principles, it might not be totally appropriate for management in African countries. He points out the need to understand and appreciate the diversity and complexity of sub-Saharan Africa and that it has been largely hampered by the apparent pejorative view of Africa, Africans and the contributions that can be made to the development of their own continent, but more especially to other continents and not least to the field of management.

It is rare to find chapters in textbooks on African management and its contribution to international management. The current literature on management in developing countries, and more specifically management in Africa, tends to present a poor picture that sees management in these countries as fatalistic, resistant to change, reactive, short-termist, authoritarian, risk reducing, context dependant and basing decisions on relationships. There is also a danger that the objective of management development is to make the developing world, in this case sub-Saharan Africa, more like the developed world, as in the western countries, and that this is reflected in the direction of organizational change and the way people are managed in African organizations (Jackson, 2004).

“If anything, ‘African Management’ is cross-cultural management. One of our main objectives is trying to understand the complex cross-cultural dynamics in African countries. The aim of managers and management developers should be to ensure the more effective management of these dynamics, by first understanding them, and

then addressing the need to develop effective cross-cultural management and management teams.” (Jackson, 2004: 16).

This implies that for expatriate managers to be successful in Sub-Saharan African countries, they need to pay careful attention to cultural skills of potential candidates, and that the lack of these cross-cultural skills would lead to certain failure of expatriate assignments.

Considering the similarities between Africa and Europe and the African renaissance and Asian (Japanese) management styles and attributes, this could possibly explain the reasons for similarly low failure rates of expatriate assignments.

When comparing Africans in the African renaissance sense with East Asian and Japanese cultures, Jackson (2004) points out the following similarities in organizational management systems and attributes. Both groups have a high humanistic and collectivistic approach to management, both have a high degree of people orientation and their sense of belonging is a major management motivator. Their management commitment is towards the group or corporation, they both have a moderate to high degree of external locus of control and trust plays a significant role in management principle.

Jackson (2002) highlights some similarities between Europe and Africa:

- A multi-cultural diversity.
- A history of inter-cultural enmity.
- Cross-border cooperation is increasing with the EU and AU.
- Both undergoing and have undergone transitions from state control to free market economies.
- A need to create synergy out of diversity.

Yet, as Jackson (2002) portrays, the North sees the South in a very pejorative view:

- North – Developed vs. South – Developing.
- Events predictable vs. non predictable.
- Resources obtainable vs. difficult to obtain.
- Low vs. high uncertainty avoidance.
- Lower vs. high power distance.

- Internal vs. external locus of control.
- Long term vs. short term perspective.
- Proactive vs. passive or reactive.
- Participative vs. Authoritarian or paternalistic.

The question then is; is the similar and favourable success rates of expatriate managers from Europe or Africa a simple matter of their multi-cultural diversity and cultural adaptability or is each environment unique and complex enough to justify the need for separate management principles and practices rather than trying to squeeze and shape the management styles of African countries to fit that of the Western management systems? Jackson (2004) proposes the latter to be the case, and highlights that in the face of these complexities the current cross-cultural theories seem totally inadequate in explaining the cultural differences and interactions in Africa.

Jackson (2004) states, "Culturally, sub-Saharan Africa is very complex. This is not just in the number of ethnic groups that can be found in African countries, but in the different possible levels of cross-cultural interaction (Western / African, cross-border, inter-ethnic)... This complexity is also exhibited in the degree of crossvergence of cultures, and through the process of hybridization of management systems as a result of cultural crossvergence, and the extent to which power and ideology are important influences in cultural interactions in Africa."

Jackson (2002) points out that much can be learned from African management styles regarding managing environmental complexity and uncertainty, managing the interests of multiple stakeholders and multiculturalism, managing the relationship between work and home or community life as well as the relationship between Western instrumentalism and African humanism.

Management in Africa can be understood through gaining an understanding of the locus of human value, the hybrid systems of management, the inter-ethnic differences and the dynamics of cross-border management (Jackson, 2002).

Jackson (2002) highlights eight important criteria for developing effective and appropriate management in Africa:

- Develop the ability to turn constraints into opportunities.

- To accommodate multiple stakeholders.
- Develop effective decision processes.
- Reconcile contradictions between home and community and work life.
- Assess the appropriateness of management styles.
- Management of multicultural dynamics.
- Develop an awareness of your own culture.
- Develop managers appropriately for Africa.

Jackson (2002) proposes that to progress from this point in managing in Africa, the stakeholders have to do the following:

- Start seeing things through a critical, cross-cultural lens.
- Start assessing management impact through appropriateness, as well as effectiveness.
- Start managing multiculturalism.
- Start learning from Africa.
- Start developing training that is appropriate and effective in process and content.

While the body of knowledge above that covers the Western developed world cannot be ignored when it comes to the African developing world, it would be foolish to attempt to apply this knowledge blindly to sub-Saharan African countries as these countries are complex and respond to different stimuli. The Western systems therefore need to be adapted to best support the African continent and make best use of its unique diversity and find synergy between that which has been learned from the Western systems and that, which is emerging from the above research on Africanism.

CHAPTER 3

LITERATURE REVIEW

3.1 Introduction

“Cultural practices can vary dramatically from country to country, as can the education and skills level of the population, and countries are at different stages of economic development. All these differences can and do have major implications for the practice of international business. They have a profound impact on the benefits, costs, and risks associated with doing business in different countries; the way in which operations in different countries should be managed; and the strategy international firms should pursue in different countries.” (Hill, 2003: 38).

For multinational companies (MNC) the essence of international business strategy is the decision between one that emphasizes “global standardization”, with the focus on low cost, and that of “local responsiveness”, which focuses on differentiation (Hill, 2003).

MNC make use of four general strategies to enter and compete in the international business environment, namely: an international strategy, a multinational strategy, a global strategy or a transnational strategy. Each of these strategies has advantages and disadvantages and the appropriateness varies with the extent of pressure for either cost reduction or local responsiveness (Hill, 2003).

Companies that follow a global strategy seek to take maximum advantage from the experience curve effect and local economies, and follow a low cost strategy. They have standardized product ranges and manufacture in only a few locations that offer cost benefits and market and distribute products through a non-customized channel. These firms would make extensive use of expatriate management as they tend to retain their core competences in-house and the structures remain mostly centralized with a high need for coordination. Parent country nationals (PCN) therefore run the few foreign operations that they have, operating as expatriates in the host country (Hill, 2003).

In international strategies the MNC creates value by attempting to transfer its core competencies from the home or parent country to that of the host country. They retain control over the core competencies and decentralize the rest of the operations to the host country. They still have a moderately high need for coordination, although not as high as in global strategies. They will make use of host country nationals (HCN) to run their foreign operations but will still have key positions, particularly if they are the core competencies, filled by PCN (Hill, 2003).

For multidomestic firms the key focus is on local responsiveness and differentiation of products and services. They are therefore much decentralized and have a low need for coordination with parent countries. Once established, they will be less dependant on the use of PCN as they will have the required skills and competencies to function. They will make extensive use of expatriate managers if they are a start up venture or are executing a significantly complex project and will need assistance from PCN expatriates or Third country nationals (TCN) that have the required skills (Hill, 2003).

When the MNC firm is based on a transnational strategy, the use of expatriate managers from both PCN and TCN is likely to be the highest. This strategy is based on the simultaneous achievement of both local responsiveness and economies of scale that tend to function with matrix structures. These structures are filled with managers that have the skills to fulfill their designated assignments and in a truly transnational company will be filled with managers from all nationalities. This type of firm has a very high need for cultural controls and integrating mechanisms and as a result a high need for coordination. They will therefore be staffed by a high degree of multinational, multi-skilled personnel (Hill, 2003).

It must be pointed out that the use of expatriate managers is highly circumstantial, and is not just a function of a firm's chosen international business strategy. All four strategies can make use of both PCN and TCN expatriate managers, but it will be more likely to occur under the strategies as discussed above.

3.2 Expatriate Management Defined

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.
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- Roaming expatriate managers typically take an assignment for a one to four week period and then return home.

Muller (2003) explains that expatriate managers no longer act solely as tools to implement parent country strategies. They also play a major role in the identification of new markets and open up doors for the MNC in their activities in the host country. They also play a major role in global strategy development as a result of their valuable knowledge of the global, corporate and most importantly the local environment. They respond to the dual pressures from headquarters on the one hand, and the local subsidiaries on the other.

Muller (2003) quotes Wong-Rieger and Rieger (2002: 4475) who explains the changed role of the expatriate manager: "Gone are the days when the overseas manager was responsible merely for the implementation of headquarters strategy. Today the migrant manager is expected to play key roles in both developing the strategy and facilitate organizational learning."

Hawley (1995) reports that two thirds of MNC make use of expatriates to staff their foreign operations for three reasons:

- The lack of skilled managers when operating in developing countries.
- The importance of having control over offshore operations to ensure financial integrity.
- To maintain trust in key overseas businesses.

3.3 Staffing Policies

The human relations management (HRM) department plays a critical role in implementing the firm's staffing policy. There are three general types of staffing strategies in international business, namely: the ethnocentric approach, the polycentric approach and the geocentric approach (Hill, 2003).

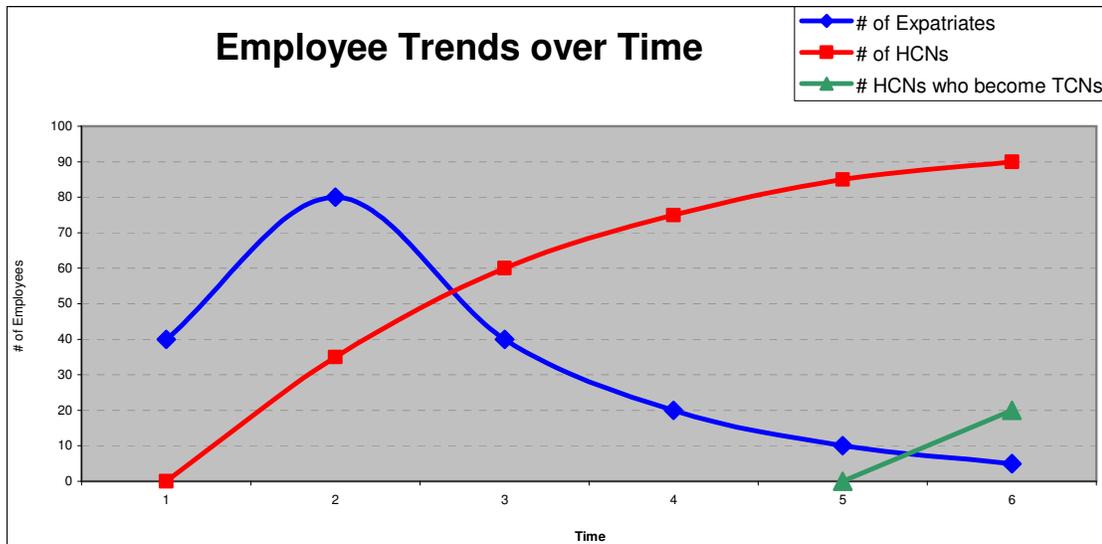
The ethnocentric approach is one in which all the key management posts are filled by PCN. This approach is used to overcome the lack of skilled managers in the host country, when a unified culture is essential and when the transfer of core competencies is vital. The polycentric approach requires that HCN be recruited to subsidiary companies and the PCN fill the positions at headquarters. The advantages of this approach are that it is inexpensive to implement and it alleviates cultural myopia. A geocentric approach seeks the best staff for the key positions irrespective of where they are in the organization and which nationality they are from. The geocentric approach can be very expensive but can also be the most effective method and could fit in well with a transnational strategy (Hill, 2003).

Both the ethnocentric and the geocentric approaches make use of expatriate managers and can both be very expensive to implement. Companies seldom implement only one of these policies and generally have the appropriate mix of all three policies depending on the objectives of the business venture and the availability of skilled personnel. While companies will consider the cost of expatriate assignments, and will strive to minimize this cost, there will always be circumstances in which the benefits of such an expatriate assignment outweigh the costs. Cost, however, will always be a significant consideration (Hill, 2003).

Bateman and Snell (1999) point out the importance of using expatriate managers when entering a new underdeveloped country or region to support management and the growth of the project, but also point out the need to ultimately move away from expatriate managers to well-trained HCN if the organization is to truly create a multinational culture. As time goes on HCN become more experienced and able to fill the top management positions. They are better positioned to handle the local cultures and languages, usually cost less and do not need to be displaced. This trend is often key to the sustainability of a project and the trend over time with respect to employees is detailed in the graph below. HCN will also develop, given the correct

training and opportunity, to the point where they can join the expatriate resource pool and become TCN in supporting the growth of the global organization,

Figure 3.1 – Employee Trends over Time



Source: Bateman and Snell (1999)

3.4 Cost of Failure

Hawley (1995) has established that the cost of failure of a South African expatriate manager can amount to from R 250 000 and could be as high as R 1 million, depending on salary scale and whether the family transferred together with the expatriate manager. Hill (2003) indicates that the estimated cost of expatriate managers is between \$ 250 000 and \$ 1 million. He also indicates that approximately 30% to 50% of USA expatriates, whose annual remuneration averages \$ 250 000, remain in their assignment but are considered either ineffective or marginally effective by their parent companies.

As a result of these high costs to sustain expatriate managers, as well as the opportunity cost of having expatriate managers fail at their assignments, the success as measured by the failure rate of expatriate managers becomes a vital measurement in the control of the above stated expenses.

Tung (1982) indicates that the failure rate of USA multinationals was from 20% up to 40%, compared to European multinationals of between 11% and 15%, and Japanese

counterparts from 11% up to 19%. This indicates that failure rates are high and are typically found between 11% up to as high as 40%.

This study showed that 76% of USA multinational companies have a failure rate equal or greater than 10% while Japanese multinational companies with a failure rate greater than 10% is only 14%, or greater than 6% is only 24%, and European multinational companies with a failure rate greater than 10% is only 3% and greater than 6% only 41% compared to the poor USA performance (Tung, 1982).

Muller (2003) has indicated that the failure rate of South African expatriate managers is as low as 1,8% when working abroad. This compares favourably when compared to first world countries and is as much as 6 to 22 times lower than the USA, European and Japanese multinationals.

As Muller (2003) points out this high failure rate, and the associated costs, has raised concerns over the past years. 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. Muller (2003) has also referred to Nasif, Thibodeaux and Ebrahimi (1987) who indicated that expatriate failure is far more complex than just the premature return of the expatriate. According to them expatriate failure can also be defined in terms of poor overall performance, personal dissatisfaction with the experience, a lack of adjustment to local conditions, a lack of acceptance by HCN and the expatriate managers inability to identify or train a local HCN successor.

3.5 Reasons for Failure

Tung's (1982) work shows that the failure rate of USA multinationals is much higher than that of European or Japanese multinationals. The main reasons given by the participants are listed below for USA and Japanese multinationals in order of highest to lowest:

USA Multinationals top five reasons for failure:

- Inability for spouse to adjust.
- Manager's inability to adjust.
- Other family problems.
- Manager's personal / emotional maturity.

- Inability to cope with larger overseas responsibility.

Japanese multinational top five reasons for failure:

- Inability to cope with larger overseas responsibility.
- Difficulties with new environment.
- Personal / emotional problems.
- Lack of technical competence.
- Inability of spouse to adjust.

Along with Tung's (1982) study, many other studies support the findings that the inability of the spouse to adjust, the inability of the expatriate manager to adjust and other family problems are the top three reasons for failure and Hill (2003) quotes a study that states that over 60% of failures occur due to these three reasons.

Hill (2003) goes on to quote "Expatriate assignments rarely fail because the person cannot accommodate to the technical demands of the job. Typically, the expatriate selections are made by line managers based on technical competence. They fail because of family and personal issues and lack of cultural skills that haven't been part of the selection process."

Schell and Solomon (1997) indicate that when asked to identify the most common reasons why candidates turn down potential assignments, the leading reasons given by companies were given as spouse career concerns (48%), assignment location (32%), family issues (29%), concerns with or for children (27%), limited career opportunity (22%), not the right opportunity (18%), insufficient compensation (14%) and other reasons 9%. They point out that the reasons for not accepting an assignment could be the same reasons for those who accept and then fail to complete the assignment.

Hurn (2007) states that profound cultural shock, aggravated largely by the inability to recognize the fact, to come to terms with the fact and eventually learn to deal and adapt accordingly have been identified as major contributors to the failure of expatriates overseas.

3.6 Assignment Life Cycle

Thomas (2002) suggests that the adjustment of expatriates to the host country environment follows a U shaped life cycle and consists of the following four steps:

- The honeymoon stage during which the expatriate finds everything exciting and is interested in everything that they come across in the new host country.
- The culture shock stage is when the reality sets in and the expatriate starts becoming frustrated by their new environment and the differences from the home country.
- During the adjustment stage the expatriate starts to accept and adapt to the cultural differences, begins to find their rhythm for daily living in the host country and learns how to get things done.
- The mastery stage is reached when the expatriate masters the host country conditions and starts to function equally well as if they were at home.

Schell and Solomon (1997) talk about the Expatriate Adaptation Cycle that takes about one year depending on the adaptability of the expatriate and the family. The cycle also has four phases and begins way before the family arrives in the new country, with the Pre-move phase. This phase, as do the other three, lasts about two to four months during which time a combination of positive feels result from the recognition of employee competence that resulted in selection, excitement of the new adventure and feelings of well-being and enthusiasm. The feeling is enhanced by the compensation increase and allowances, which lead to increased productivity. However, these feelings are followed by the realization that the assignment will result in separation from family, friends and local colleagues, and at this point the expatriate family starts to ponder the difficulties of adjusting to the new environment.

The second phase is the Relocation phase during which the employee and family all experience the sense of excitement as they enter their new environment and experience new discoveries. This is followed by the realization of the impact of having left family and friends and their familiar comfortable surroundings, and start to feel the challenges they are facing and the loneliness of being alone in a strange new country (Schell and Solomon, 1997).

The First adaptation phase follows during which the family starts to adjust to the new surroundings. They start making new friends, business contacts and soon daily life begins to establish a pattern of stability. The last phase, often the make or break stage, is the Cultural shock phase. This is when the family starts to feel the weight and pressure of the new challenges and environment. The forces and pressures cumulate into the sense of isolation and fatigue that brings on the commonly referred to phenomenon known as “Cultural Shock”. This shock is followed by a slow recovery period after which life begins to return to normal as the family adjusts to and starts enjoying the new culture and environment. It is only after this stage that the employee’s productivity returns to that of the Pre-move phase (Schell and Solomon, 1997).

Naturally different individuals and families would go through this cycle at different speeds and may even cycle back as other individuals in the family go through different stages at different times. These experiences affect the family both positively and negatively, yet most agree that the honeymoon phase is over after the first six months period (Schell and Solomon, 1997).

Schell and Solomon (1997) refer to the suitcase full of unique concerns and problems each family member carries around as they move through the cultural adjustment phase, namely:

Children

- Have educational and extracurricular needs
- Have issues of self esteem
- Want independence in a strange environment
- Difficulty making and retaining new friends
- Become “third culture kids” as they develop a hybrid culture

Spouse

- Challenges of setting up the new home
- Loss of support network when they need it most
- Confronting the new societal norms
- Functioning as single parent because employee works long hours
- Dial-career spouse coping with loss of second income

Expatriate

- Entry into new job with increased visibility and responsibility
- Meeting new people daily
- Making decisions while needing to demonstrate creativity and insight
- Extensive travel
- Cross-cultural communication
- Increased financial pressures
- Work is more intense

Schell and Solomon (1997) also put in context the difficulties that marriages could face, which is no wonder that problems with spouse is the most common reasons for expatriate assignment failure:

- Communication between partners becomes difficult as home leisure time communication is replaced with information exchange between meetings
- Greater dependence on the working partner to meet the needs of the nonworking spouse
- Expatriate returning home tired from work and the new challenges and environment, the spouse who is out of their normal network of friends wants to talk and craves recognition, but the expatriate has lots on the mind or is tired and wants to sleep or rest.
- Changing roles in the marriage as the expatriate's work and travel schedule requires the spouse to take on additional family responsibilities. This could add additional stress on the family and marriage.

3.7 Assessing Success

There are no empirical measurements of failure. Many factors could lead to early repatriation namely, another job opportunity or assignment, a spouse or family issue, personal issue or any others. In many cases failed ventures are blamed on a variety of issues rather than the real possibility that the wrong selection was made with respect to expatriate manager for that particular assignment. Many personal burnouts are blamed on many other issues when in fact they could have been avoidable if the company used a proper selection process. In fact few companies

really measure or assess the repatriates for a measure of success or failure (Schell and Solomon, 1997).

Thomas (2002) suggests a number of key indicators that can be used to assess for a successful expatriate experience, namely:

- Whether the expatriate manager completes their agreed length of assignment. This is usually two to five years but for Japanese and European firms this typically is for a longer period of time.
- The extent to which the expatriate has been able to overcome the culture shock of the host country.
- The extent to which the manager adjusted to the new environment, which include factors such as satisfaction, absence of stress, psychological mood, conflict resolution, intercultural interaction, anxiety and life style changes.

3.8 Expatriate Managers Profiled

Schell and Solomon (1997) refer to Windham international who have suggested that the profile of a potentially successful expatriate manager should be as follows:

- Strong marriage.
- Supporting spouse who is willing to “sacrifice” career or interests.
- Flexible lifestyle and possessions.
- Transferable hobbies and outside interests.
- Financially stable.
- Recognize the value of an expatriate assignment.
- Feels that the assignment is career advancing.
- Willing to learn the language.
- Feels that it’s a good and fair deal.
- Enthusiastic and wants the assignment.
- Feels qualified and prepared.
- Able to establish interpersonal relationships.
- Possesses cross-cultural competencies.
- Demonstrate ability to deal with stress.
- Good communication skills.
- Comfortable dealing with ambiguity.

- Non-judgemental.
- Curious and adventurous.

Windham International has also suggested the profile of a successful expatriate family to be as follows:

- Small family.
- Young children.
- Adaptable to different lifestyles.
- No dependants left behind.
- Good health.
- Healthy parents left in home country.
- Children doing well at school.
- No ongoing medical care required.
- Enthusiastic about change.
- Family supportive of the assignment.
- Positive family attitudes towards the adventure.
- Spouse willing to accompany employee on assignment.

Michael Tucker of Tucker International identifies six basic characteristics that distinguish expatriate candidates that adapt well to a new culture or society, being Acceptance, Knowledge, Positive Emotions, Lifestyle, Interaction and communications (Schell and Solomon, 1997).

Acceptance indicates that expatriates who are successful accept the local culture, customs and behaviors, without criticizing or making light of the culture even if it is different from their own. Knowledge shows expatriates who take an interest in the assignment country and research its history and embraces the local people and interests. Positive Emotions result from successful intercultural adjustment leading to positive feelings of well-being and positive self concept and attitude about the people and country. Lifestyle shows that expats who adjust well lead an active lifestyle and participate in similar or new activities in the new country. Interaction is key because people who adjust well to new assignments tend to mingle with local nationals on the job and socially making local friends who assist in enhancing their experience. Communication is vital and successful expats learn both verbal and nonverbal ways to communicate with local communities (Schell and Solomon, 1997).

The challenge in selecting the right candidate is in finding someone who exhibits the six characteristics above. To help with this process, Tucker has developed an assessment instrument called the Overseas Assignment Inventory (OAI), which is a tool that identifies and measures 14 predictors of success. These are detailed and explained below:

1. Expectations – Candidates who expect to succeed and look forward to the assignment in their new country, while remaining aware of the challenges and difficulties to be faced, are far more likely to adjust and adapt to their new surroundings.
2. Open-Mindedness – These people are far more receptive to different views and beliefs without feeling that their own value system is being challenged and threatened.
3. Respect for Other Beliefs – Those non-judgemental of others religious and political beliefs are more likely to succeed. They are neither openly conversant about their own convictions nor critical about the convictions of others.
4. Trust in People – Faith and trust in people is key, and those who encourage mutual trust are more likely to develop meaningful relationships.
5. Tolerance – The ability to interact with and live closely to people who are different to you is essential.
6. Locus of Control – This measures the extent to which people believe they control the outcomes of the events of their lives. People who believe they can, have a higher chance of success in shaping, controlling and directing the course of their lives and make more effort to make things work.
7. Flexibility – This is the ability to consider alternative activities and points of view, willingness to receive feedback from others, and to realize that there is more than one valid approach to a problem or decision.
8. Patience – Managers should accept that a “sense of time” means different things in different cultures and can find themselves very frustrated if they cannot adapt to the new culture.
9. Social Adaptability – This is the ability to socialize comfortably with new people in strange or unfamiliar social situations and be accepted by the new surroundings and people.

10. Initiative – The ability for people to take charge of new and challenging situations and their willingness to control the outcome of success.
11. Risk Taking – Willingness to take calculated risks, accept change and meet challenges.
12. Sense of Humor – A good sense of humor is one of the most important attributes in being effective with intercultural adjustment. This is the ability to bring humor into difficult and challenging situation to ease the tension and take control.
13. Interpersonal Interest – Strong interpersonal skills, and in this case strong cross-cultural interpersonal skills, are critical to an expatriate’s success and effectiveness. Those who are sincerely interested, accepting of, and concerned for others have an advantage in adjusting to other cultures.
14. Spouse communication – This measures the extent and quality of communication between couples. Experience shows that when communication is open and constructive, the relationship is often enhanced by the experience (Schell and Solomon, 1977).

Cultural Toughness is a term used in measuring the level of cultural difference between the home country and the host country where the expatriate will spend his time during the assignment. The greater the difference, hence the tougher the new cultural environment, the greater the intensity of cultural training required before leaving on assignment. In a study of over 1’000 Swedish expatriates the difficulty for them to adjust to the new foreign culture was measured in decreasing regions of toughness, where the top region was the most difficult to adjust too, as detailed in the table below. (Huynh, Johansson & Tran, 2007).

Table 3.1 – Decreasing order of Cultural Toughness

1	Africa
2	Middle East
3	Far East
4	South America
5	Russia / Eastern Europe
6	Western Europe / Scandinavia
7	New Zealand / Australia

Source: Huynh, Johansson & Tran (2007: 17)

Cross-cultural adaptation is essential, as pointed out by Avril and Magnini (2007) and one key trait necessary in order to adapt adequately is that of emotional intelligence, which is defined as the array of competencies, capabilities and skills that influence ones ability to adjust to the demands of the changing or new environment.

The emotional intelligence of an individual includes the ability to assess and manifest emotions, the regulation of emotions in others as well as in one's self, the ability to channel these emotions to promote intellectual and emotional growth and the capacity the generate emotions to assist in problem solving (Avril and Magnini, 2007).

Avril and Magnini (2007) provide a list of key personality and psychological traits that are included in emotional intelligence:

- Tolerance for ambiguity
- Low goal and task orientation
- Open mindedness
- Tolerance for difference
- Communicativeness
- Empathy
- Flexibility
- Curiosity
- Warmth in relationships
- Motivation
- Self reliance

Thomas and Inkson (2005) talk about cultural Intelligence and they say that this intelligence needs to be developed by moving through a set of stages and that this is a skill that can be learnt and taught. Cultural Intelligence involves being flexible and skilled about understanding a culture, learning increasingly more and more about its makeup and continually shaping one's thinking to be more sympathetic to the culture and one's reactions to be fine tuned when interacting with others from different cultures.

Cultural Intelligence involves three parts namely: Knowledge of a culture, Mindfulness as in the ability to be attentive to the culture and Behavioral Skills based

on the knowledge and mindfulness. The development of this Cultural Intelligence occurs in five stages, namely: Reactivity to external stimuli, Recognition of other cultural norms and the motivation learn more, Accommodation of other cultural norms and rules, Assimilation of diverse cultural norms into alternative behaviors and Proactivity in cultural behaviors based on recognition of changing cues that others do not perceive. Expatriate managers should be trained and seek to be proactive about cultural intelligence (Thomas and Inkson, 2005).

Hurn (2006) says there is a demand for a new kind of expatriate manager. One who is cosmopolitan, multinational, multifaceted and can operate across national borders. This trend has been noticed increasingly and a comparison between the old and new profile expatriate manager is found below in Table 3.2:

Table 3.2 - Comparison of old and new profiled expatriate managers

Traditional Expatriate Manager	International Manager
Focuses on one overseas country / area	Deals with many countries, often in different regions
Adapts to living in one culture	Adapts to working in several cultures
Uses cross-cultural skills primarily on foreign assignments	Uses cross-cultural skills both at home and overseas
Works with and coaches people from one country	Works with and learns from many cultures
Expatriation is primarily to get the job done	"Transpatriation" is for career and organizational development
Develops a one country perspective	Develops a global perspective

Source: Hurn (2006: 280)

Hurn (2006) notes that it is still rare for companies to judge their potential candidates against any clearly defined criteria. He notes that they are expected to have the stamina of an Olympic runner, the mental agility of an Einstein, The detachment of a judge, the tact of a diplomat and the perseverance of an Egyptian pyramid builder.

3.9 Selection is Key

The one element that comes across in the literature as being absolutely vital to the success rate of expatriate managers is that of an effective selection program. As pointed out earlier, the expatriate assignment seldom fails because the expatriate

manager lacks the technical skills, but rather because they lack the cultural skills required to execute the assignment in the host country.

Avril and Magnini (2007) propose a holistic approach, for the success of expatriate managers, with selection and training that includes elements such as the family status, emotional intelligence, dietary and exercise habits and their learning orientation. They propose that selection is where it all starts. The recruitment process, they add, is the key driver for the success of an expatriate manager. After the candidates are assessed the selection process should hone in on the candidates ability to adapt, which they propose as the key driver of success for expatriate managers.

Wong Rieger and Rieger (2002) point out that despite the significant influence that cultural adaptability plays in the successful outcome of an expatriate manager, the majority of selection processes focus solely on job-related competencies. Avril and Magnini (2007) support this view by stating that the selection process must move beyond that of the résumé. They highlight that while technical skills are important, attention must be paid to personal characteristics such as the ability to adapt to different norms and modes of behavior and have a high level of tolerance for ambiguity.

In their research of three key Swedish companies, Huynh, Johansson and Tran (2007), show that all three still regard that technical skills and competences are the number one selection criteria considering that the reason for using expatriate managers is as a result of such skill shortages in the host country. They all regarded cultural awareness and language skills as the second biggest selection criteria but felt that these could not out weigh the need for technical skills.

Schell and Solomon (1997) point out that finding the correct candidates who have both the technical and cultural skills is as important a challenge and decision as raising the capital for business development. They highlight that companies can thrive or fail depending on who occupies key positions and whether they have the skills, together with their families, to live and work in a foreign culture.

Schell and Solomon (1997) also point out some of the challenges that make it difficult to find the correct expatriates in the selection process:

- Scarcity of qualified candidates.
- Spouse careers and other family issues.
- Need to make rapid deployment decisions.

They highlight that the more one examines the global staffing problems the more complex it becomes. Performance in one's home country does not predict success in a host country, and even if a selection instrument could predict success accurately, one would still have to deal with the fact that a limited pool exists from which to make the choice (Schell and Solomon, 1997).

An enormous challenge to contend with is the growing demand for expatriate managers as companies seek to expand their operations abroad, and the problem is the lack of qualified personnel from which to select an expatriate, and the strain that this places on local resources. One way to overcome this challenge is to use a global awareness program to increase the size of the expatriate pool for future selection (Schell and Solomon, 1997).

Significant dividends, according to Schell and Solomon (1997) are reported by companies that make use of the Business Globalization Cycle that has the following four steps:

1. Building Global Awareness in the organization, so that employees think about the process before considering expatriate assignments
2. Identify the characteristics of a successful expatriate and high potential performers
3. Training: Build global business skills
4. Create an effective repatriation process to enhance global awareness within the organization and also provide a good role model to potential expatriates.

Schell and Solomon (1997) highlight typical contents of global awareness programs as they instruct candidates how to:

- Appreciate cultural diversity
- Recognize the cultural impact on business
- Mastering global management skills
- Understand how culture impacts business issues

- Impart knowledge regarding challenges that are faced by business people around the globe
- Develop a framework for understanding cultural differences
- Master strategies for cross-cultural problem-solving and negotiation skills
- Learn decision-making strategies that work across cultures
- Explore ways to build business relationships

Wong Rieger and Rieger (2002) suggest that candidates be assessed along the following dimensions:

- Self-efficiency. This is a measure of technical competence and the ability to control stress, and can be measured from past performance and during an interview.
- Relational risk. This is the ability and willingness to interact with HCN and the desire and willingness to learn and speak a foreign language. This can be assessed in the interview and through role-play.
- Intercultural perception. This is the ability to correctly understand the motives behind the culture of HCN and is best measured with a series of psychological tests.

Research done by Graf (2004) highlights the importance of including into the selection process the cultural skill set found in the expatriate candidate. In surveying USA and German expatriate managers she found that the ability to speak a foreign language was considered of top importance to both nationalities. The following table details the results of the research.

Table 3.3 – Intercultural Competencies stated as important skills

Number of participants naming the competencies				
		USA	German	Total
1	Speak Foreign Language	41	40	81
2	Openness	19	39	58
3	Knowledge of Culture, Religion, Customs etc.	21	30	51
4	Diplomacy, Tolerance	6	28	34
5	Adaptability	6	20	26
6	Patience, Calmness	10	8	18
7	Empathy	7	12	19

8	Respect	8	8	16
9	Team Play Ability	3	12	15
10	Self-confidence	3	6	9
11	Business Knowledge	8		8
12	Knowledge of Political & Monetary Differences	6		6
13	Analytical Ability	6		6
14	Previous Experience		4	4
15	Courtesy		4	4
16	Further Competencies	10	5	15
	Total	154	216	370

Source: Graf (2004: 675)

The study indicates that the ability to speak the language and knowledge about the culture are significant competencies. When it comes to language skills the literature often emphasizes that knowing how to listen, how to interrupt, how to praise and how to scold are more important than the language skill itself, but studies have shown that insufficient language skills increase the risk of misunderstanding which could complicate effective cooperation (Graf, 2004).

Graf (2004) points out that intercultural competencies that can be developed short term, such as understanding the religion, customs and beliefs, are less important to develop over time as they can be learned, but language skills cannot be taught overnight and the ability to speak a foreign language should be part of the selection process along with those other skills that take time to develop.

Hurn (2007) reported that the general perception is that English is the international business language while in reality in many parts of the world English is not spoken in the business environment, and indeed not everyone wants to speak English. Hence it becomes imperative that the foreign language is then understood and spoken if a company expects to be successful in that business environment.

3.10 Planning is Vital

Muller's (2003) assessment of the body of knowledge suggested eleven aspects that needed to be addressed during the planning of an expatriate assignment:

- Job specification.
- External recruitment.

- Selection.
- Training.
- The pre-departure planning period.
- Relocation and orientation.
- Performance appraisal.
- Continuous support.
- Repatriation back to home country.
- Human resource development.
- Human resource planning.

Schell and Solomon (1997) suggest the content of an expatriate policy that will assist in the effective planning of expatriate assignments:

- Phase one: Pre-decision:
 - Statement of corporate philosophy.
 - Intent of the policy.
 - Spirit of the program.
 - Assistance available.
 - Self-selection counseling.
 - Special needs
 - Statement of eligibility and assignment definitions.
 - Introduction to the worldwide administrative team.
 - An overview of the expatriation process.
- Phase two: Pre-departure:
 - Immigration, visa, work permits.
 - Tax impact of expatriate assignment.
 - Initial home finding trip and schooling arrangements.
 - Cross-cultural training.
 - Language training.
 - Health and physical examination.
 - Home and automobile disposal.
 - Storage provision in the home country.
- Phase three: Relocation:
 - Host country housing.
 - Home finding support.

- Shipment and storage of household goods.
- Health and safety.
- Personal finance.
- Temporary living expenses.
- Relocation allowances.
- Educational allowances.
- Automobile allowances.
- Phase four: Settling-In:
 - New country settling-in support.
 - Spouse and family support.
 - Home leave and travel.
 - Emergency leave and travel.
 - Miscellaneous expense allowance.
 - Other special company benefits.
- Phase five: Ongoing support:
 - Tax returns.
 - Home leave.
 - Family visits.
 - Home- and Host-mentoring programs.
 - Emergencies.
 - Periodic adjustment for currency fluctuations and inflation.
- Phase six: Repatriation:
 - Advice and counseling regarding personal pre-departure and post-arrival activities.
 - Reimbursement forms and procedures.

Line Managers are responsible, according to Schell and Solomon (1997), for making sure that they understand as much as possible about the host country and challenges of the expatriate assignment, to ensure that the correct pre-departure training is carried out. The list below is what Line Managers should know about Pre-Departure Training for Culture and Language:

- Importance of culture to the success of the business
- Allowing time for assignments to overlap
- The importance of relationships in destination country

- What are realistic and meaningful time lines
- Characteristics of leadership in the destination culture
- How business meetings etc. are conducted and what they are intended to achieve
- Importance of titles and authority
- Negotiation techniques in host country
- Political and legal structures of host country
- Role of gifts and other social niceties

Huynh, Johansson and Tran (2007) demonstrate that companies understand the importance of pre departure cultural training but some devote as little as one day on such training programs. They do recognize the importance of cultural awareness and plan to increase the time spent on such training. Most programs include the spouse and family and are not limited to cultural training alone.

Due to the fact that there is often great pressure on selection of a candidate that has the correct skills and the fact that seldom do you find candidates that are competent both technically and having the right knowledge of the host country, the ideal emotional and family situation and a high learning orientation, training in cross cultural skills becomes important (Avril and Magnini, 2007).

Avril and Magnini (2007) agree that as a minimum the training must include coaching in business culture, etiquette, interpersonal communication and conflict resolution. They also propose that the training be done in three stages in order for it to be effective. These include training in the home country, training on arrival in the host country and real time training. They conclude by stating that this real time training could very well be the key driver in expatriate success as it is unrealistic to assume that effective cross cultural training can be covered in the class room during the first two stages of training.

Hurn (2007) suggests that cultural awareness training is vital for the success of an assignment. In such training the participants, that should include the spouse and family, learn that their behavior stems from the deep roots in their own culture and as they continue they start to understand how much their view of reality is conditioned by learned and unconscious preconceptions and prejudices. They learn to recognize

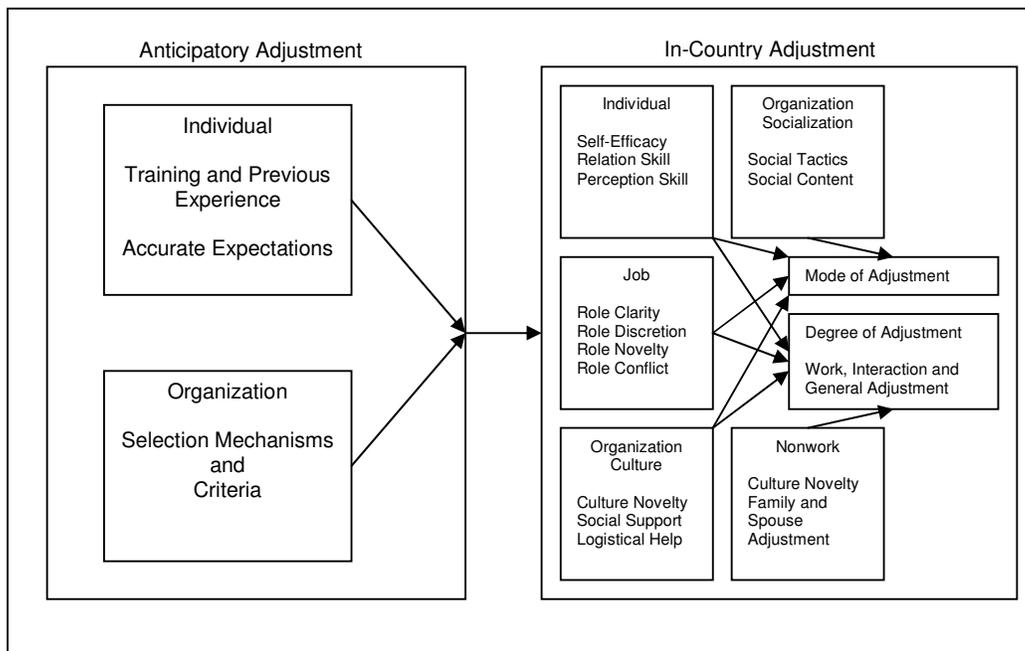
this as they come in contact with local people from other cultures and realize that perceptions are indeed reality.

Lee (2005) talks of the five dimensions that have emerged as components of the cross cultural adjustment process:

1. Pre-departure training
2. Previous expatriate experience
3. Selection mechanisms
4. Individual skills
5. Nonwork factors

The first three dimensions are at play prior to the expatriate manager entering the host country, and the last two become critical as the expatriate arrives in the host country to take on the new assignment. Much literature exists that focuses on pre-departure and post-entry and the variables that are relative, but more needs to follow on the adjustment that takes place, and the impact this has on the success, with managers that enter the international workplace. Lee (2005), therefore, proposes that the individual skills an expatriate, and family members, take with them into the host country and the nonwork or social environment in which they find themselves, or are placed, have a profound effect on how well the cross-cultural adjustment takes place. The figure that follows gives a good graphical display of Lee's proposition.

Figure 3.2 – Framework of International Adjustment



Source: Lee (2005: 276)

Lee (2005) researched the relationship between cross-cultural adjustment and job satisfaction, learning orientation, organization socialization and cross-cultural training and found that the strongest correlation to cross-cultural adjustment was job satisfaction. The research states that for an expatriate to adjust to his cultural surroundings s/he must have job satisfaction, without which s/he will find it more difficult to make the adjustment. Lee (2005) also showed strong correlation to the link between cross-cultural adjustment and organization socialization. This research highlights the fact that purely concentrating on planning and training prior to expatriation would result in a greater chance of failure and that the training and interaction with home country should continue into the assignment phase.

Pires, Stanton and Ostefeld (2006) state that technical and current cross-cultural training programs, together with expatriate networks, are inadequate in addressing expatriate failure. Particularly when the assignment involves countries that are culturally diverse from the home country, the training seems to fall short in addressing ethnic networks and other socializing resources within the host country. They state that ICT (Information and Communication Technology) resources, such as the internet and video conferencing, that allow the expatriate and family to retain the

communication links with family back in the home country should facilitate the adjustment process of the expatriate and family. They also talk about the impact that the internet and ICT resources can and should have on reducing the cultural distance during the planning and assignment phases of expatriation.

Williamson (2007) explains in a paper written on her experience when she moved from Australia to Canada how the modern day ICT advancements impacted on the outcome of her career change. She was able to extract information over the internet about schools, housing and relocation costs. She could review the host country and city and learn about the culture and norms of Canada before she even visited. Once the relocation was complete she could communicate effectively with family back home and exchange emails and pictures instantly and could use webcam technology to talk and view family and friends when ever she wished.

Cultural distance is explained as the gap in cultural norms between two societies and hence the greater this difference, the larger the cultural distance. This is one of the significant areas of focus for planning an expatriate assignment (Waxin and Panaccio, 2005).

Waxin and Panaccio (2005) talk of three facets of adjustment in the new assignment arena namely that of work adjustment, interaction adjustment and general adjustment. They have done work that is helpful in understanding the impact that training has on the potential outcome of the assignment and the impact training has on the three facets of adjustment.

Their first hypothesis, that they verified, was that cross cultural training has a positive impact on the ability to adjust, and length of the adjustment, in all three of the facets. They also verified that the type of cross-cultural training had significantly varying levels of success between the three facets, suggesting that different types of training, on average, are more effective for each facet than other types. They also showed that prior international experience has a positive impact on the adjustment facets and of specific interest is the effect that the cultural distance has on the effectiveness of cross-cultural training (Waxin and Panaccio, 2005).

The results on the effectiveness of cross-cultural training varied according to the expatriate's culture of origin, and training appeared to have more impact on expatriates with larger cultural distance. Their results, however, did not prove this

conclusively but the evidence is significant enough to pursue (Waxin and Panaccio, 2005).

Lee and Croker (2006) support the research above as they have tackled the same issues from a slightly different angle. They show a correlation between the expatriate's perceived need for training and the resultant effectiveness of the training showing that the higher the perceived need, the greater the effectiveness of the training. They round off their study by showing that if the expatriate has a high level of personal competence, so they have a lower level of perceived need for training. This is also found with the perceived challenges of the task ahead and as expatriates perceive the levels of the challenge to be high, so to do they perceive the need for training to be high.

Lee and Croker's (2006) work also draws a correlation between the cultural distance and the need for training. Should the expatriate perceive the cultural distance to be high, so too was their perception higher with respect to the need for training. They also touch on the teaching mode and the learner's style of studying, proposing that when the mode of teaching was aligned with the style of learning of the expatriate, the training was perceived to have been more effective.

The research on cultural distance has been taken even further with the hypothesis that if cultural distance was so significant then with reciprocal transfers there should be identical extent of general, interaction, work and psychological adjustment. In a study examining American and German expatriates on reciprocal assignments however, the results in all four aspects of adjustment showed that the Americans in Germany had a lower level of adjustment than German expatriates in the USA. This study shows that expatriates on reciprocal assignments, or other assignments over the same cultural distance, may need more or less cultural training as they may encounter different combinations of cultural differences (Selmer, Chiu and Shenkar, 2007).

Varner and Palmer (2005) argue that cultural self-knowledge is a critical variable in adapting to other cultures, but yet this is foreign to current training programs. They propose that training in developing a conscious understanding of our own culture helps us understand the cultures of others. They propose a four-part process that involves both selection and training of potential candidates. Part one suggests that

candidates be screened for personality characteristics that are commonly accepted in literature as contributing to expatriate success followed by part two which states that expatriates should focus on developing a conscious self-awareness of their preferences, likes and dislikes. During stage three expatriates study the other culture and their reaction to that culture, developing a cognitive map of behaviors in both cultures. Then they are prepared to explore adaptation possibilities and strategies. Their view is that one's own cultural background will greatly influence how successful the expatriate will be in the foreign environment, so developing self-awareness, analysis of one's own value system, and the effect on their behavior needs to be an integral part of expatriate training both before and during the assignment period.

3.11 Compensation

Compensation for expatriation can follow many different methods but the most commonly used method is the balance sheet approach that attempts to equalize the purchasing power that the expatriate manager had in their home country in the host country (Hill, 2003).

The balance sheet approach sets out the costs, expenses and compensation that the expatriate manager can expect in the host country and relates them back to the home country. Hill (2003) suggests that the typical compensation package for expatriate managers should consist of the following main components:

- Base salary. This is the same salary the expatriate can expect in their home country doing an equivalent job function and is paid either in the home or host countries currency.
- Foreign Service premium. This is the extra incentive that the expatriate earns for accepting an assignment to work outside of their home country. After all other areas of remuneration have been equalized to reflect the host countries purchasing power; this is the premium that lures the expatriate manager towards the foreign assignment.
- Allowances. The four main allowances that are given to expatriate managers are: hardship allowances, housing allowances, cost-of-living allowances and education allowances.

- **Taxation.** Expatriates must be compensated for any additional taxation incurred to both foreign and home governments, as the expatriate cannot be expected to pay tax to both governments if tax treaties do not exist.
- **Benefits.** Expatriates must receive the same medical and pension benefits, as well as other benefits, which they received at home.

While the compensation of expatriate managers is vital in creating the incentive for them to take on expatriate assignments, and the selection of the correct candidate through the proper selection protocols plays a vital role in the success of these candidates, we must not lose sight of the fact that research has indicated to us that cross-cultural skills are at least as important as technical skills in determining the success of such expatriate assignments (Hill, 2003).

3.12 Dimensions of Culture

As far back as 1966 Hofstede (1980) did research which was set to reshape the way we viewed cultural differences in the model world for years to come. He surveyed 40 different countries, obtaining thousands of responses to questionnaires, at two different intervals in 1968 and 1972.

Hofstede (1980) defined culture as collective programs of the mind. Culture describes entire societies and subculture is used to describe groups within a particular society. He states that "Culture is to a human collectivity what personality is to an individual". His work defines four main dimensions that can be used to define or determine culture namely, Power Distance, Uncertainty Avoidance, Individualism and Masculinity.

Power Distance is the basic issue of human inequality which can occur in areas such as prestige, wealth and power. Different societies place a different value or emphasis on status consistency in this area. In organizations the difference in power is inevitable and is generally formalized in hierarchical structures but can also exist in informal structures. The Power distance Index (PDI) was used to compare the countries and South Africa was found to have a PDI of 49. Countries such as Philippines, Mexico and Venezuela had very high PDI ratings while countries like Denmark, Israel and Austria very low PDI ratings. Japan's PDI was rated at 54, the USA at 40 and Britain at 35 (Hofstede, 1980).

Uncertainty Avoidance is a measure of how likely societies are to want to avoid uncertainty. Uncertainty in any society is inevitable, with respect to the future and given the turmoil in our political and legal systems and advances in technology and lifestyle. Tolerance for uncertainty varies considerable from society to society and was measured in the Uncertainty Avoidance Index (UAI). South Africa had a UAI of 49 compared to Japan who was rated at 92, the USA at 46 and Britain at 35. Countries with high UAI ratings were Greece, Portugal, and Belgium and with low ratings were Sweden, Denmark and Singapore (Hofstede, 1980).

Individualism measures or describes the individual and the collectivity that exists in any given society, and reflects the way people live together. It was measured via the countries Individualism Index (IDV). South Africa rated a 65 compared to Japan's 46, USA's 91 and Britain's 89. The top three countries were the USA, Australia and Britain and the bottom three Pakistan, Colombia and Venezuela. What is interesting about this index is the trend that emerges when the PDI and IDV is plotted on a graph together. We find that countries like Japan fall in the high PDI low IDV quartile and countries such as USA and Britain fall in the low PDI high IDV quartile. South Africa was found in the high PDI high IDV quartile together with countries such as France. It is also interesting that in this research the IDV ratings were plotted against National Wealth (GNP/capita) and the trend that followed implied that the lower the IDV rating the better the wealth of a country would be, although there were some outliers on the scatter plot graph (Hofstede, 1980).

Masculinity, and its opposite pole Femininity, is the measure of the extent to which biological differences in sexes affects the roles of social activities. This was measured on the Masculinity Index (MAS). Countries that rated high on this index were Japan, Austria and Venezuela and low on the index Netherlands, Norway and Sweden. South Africa rated a 63 against the USA of 62 and Britain of 66 (Hofstede, 1980).

It is difficult, however, to draw parallels to Africa from this research given that the only country in Africa that was analyzed was South Africa. Other countries in Africa are not all the same as South Africa and so we should be careful in how we use the above research. However the research on Jackson (2004) puts this in perspective.

3.13 The African Twist, Adapt or Risk Failure

Jackson (2004) proposes that while the above body of knowledge might have its place in western management principles, it might not be totally appropriate for management in African countries. He points out the need to understand and appreciate the diversity and complexity of sub-Saharan Africa and that it has been largely hampered by the apparent pejorative view of Africa, Africans and the contributions that can be made to the development of their own continent, but more especially to other continents and not least to the field of management.

It is rare to find chapters in textbooks on African management and its contribution to international management. The current literature on management in developing countries, and more specifically management in Africa, tends to present a poor picture that sees management in these countries as fatalistic, resistant to change, reactive, short-termist, authoritarian, risk reducing, context dependant and basing decisions on relationships. There is also a danger that the objective of management development is to make the developing world, in this case sub-Saharan Africa, more like the developed world, as in the western countries, and that this is reflected in the direction of organizational change and the way people are managed in African organizations (Jackson, 2004).

“If anything, ‘African Management’ is cross-cultural management. One of our main objectives is trying to understand the complex cross-cultural dynamics in African countries. The aim of managers and management developers should be to ensure the more effective management of these dynamics, by first understanding them, and then addressing the need to develop effective cross-cultural management and management teams.” (Jackson, 2004: 16).

This implies that for expatriate managers to be successful in Sub-Saharan African countries, they need to pay careful attention to cultural skills of potential candidates, and that the lack of these cross-cultural skills would lead to certain failure of expatriate assignments.

Considering the similarities between Africa and Europe and the African renaissance and Asian (Japanese) management styles and attributes, this could possibly explain the reasons for similarly low failure rates of expatriate assignments.

When comparing Africans in the African renaissance sense and East Asian and Japanese cultures, Jackson (2004) points out the following similarities in organizational management systems and attributes. Both groups have a high humanistic and collectivistic approach to management, both have a high degree of people orientation, the sense of belonging is a major management motivator, management commitment is towards the group or corporation, they both have a moderate to high degree of external locus of control and trust plays a significant role in management principle.

Jackson (2002) highlights some similarities between Europe and Africa:

- A multi-cultural diversity.
- A history of inter-cultural enmity.
- Cross-border cooperation is increasing with the EU and AU.
- Both undergoing and have undergone transitions from state control to free market economies.
- A need to create synergy out of diversity.

Yet, as Jackson (2002) portrays, the North sees the South in a very pejorative view:

- North – Developed vs. South – Developing.
- Events predictable vs. non predictable.
- Resources obtainable vs. difficult to obtain.
- Low vs. high uncertainty avoidance.
- Lower vs. high power distance.
- Internal vs. external locus of control.
- Long term vs. short term perspective.
- Proactive vs. passive or reactive.
- Participative vs. Authoritarian or paternalistic.

The question then is; is the similar and favourable success rates of expatriate managers from Europe or Africa a simple matter of their multi-cultural diversity and cultural adaptability or is each environment unique and complex enough to justify the need for separate management principles and practices rather than trying to squeeze and shape the management styles of African countries to fit that of the Western management systems? Jackson (2004) proposes the latter to be the case, and

highlights that in the face of these complexities the current cross-cultural theories seem totally inadequate in explaining the cultural differences and interactions in Africa.

Jackson (2004) states, "Culturally, sub-Saharan Africa is very complex. This is not just in the number of ethnic groups that can be found in African countries, but in the different possible levels of cross-cultural interaction (Western / African, cross-border, inter-ethnic)... This complexity is also exhibited in the degree of crossvergence of cultures, and through the process of hybridization of management systems as a result of cultural crossvergence, and the extent to which power and ideology are important influences in cultural interactions in Africa."

Jackson (2002) points out that much can be learned from African management styles regarding managing environmental complexity and uncertainty, managing the interests of multiple stakeholders and multiculturalism, managing the relationship between work and home or community life as well as the relationship between Western instrumentalism and African humanism.

Management in Africa can be understood through gaining an understanding of the locus of human value, the hybrid systems of management, the inter-ethnic differences and the dynamics of cross-border management (Jackson, 2002).

Jackson (2002) highlights eight important criteria for developing effective and appropriate management in Africa:

- Develop the ability to turn constraints into opportunities.
- To accommodate multiple stakeholders.
- Develop effective decision processes.
- Reconcile contradictions between home and community and work life.
- Assess the appropriateness of management styles.
- Management of multicultural dynamics.
- Develop an awareness of your own culture.
- Develop managers appropriately for Africa.

Jackson (2002) proposes that to progress from this point in managing in Africa, the stakeholders have to do the following:

- Start seeing things through a critical, cross-cultural lens.
- Start assessing management impact through appropriateness, as well as effectiveness.
- Start managing multiculturalism.
- Start learning from Africa.
- Start developing training that is appropriate and effective in process and content.

3.14 Conclusion

While the body of knowledge above that covers the Western developed world cannot be ignored when it comes to the African developing world, it would be foolish to attempt to apply this knowledge blindly to sub-Saharan African countries as these countries are complex and respond to different stimuli. The Western systems therefore need to be adapted to best support the African continent and make best use of its unique diversity and find synergy between that which has been learned from the Western systems, and that which is emerging from the above research on Africanism.

It is therefore imperative that International HR policies and practices best integrate the knowledge of the Western business models with that of the complex cultural and business environment of the African continent. They must adapt these policies and practices to meet the challenges and complexities of conducting business in the various countries and regions of Africa, and ensure that their expatriate managers understand and are equipped to handle their new assignment in a diverse, unique and often under developed arena. After all this is the attraction for most businesses in Africa, as they seek to expand their businesses abroad.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 Introduction

The researcher embarked on studying the success rates, and determinates, of South African expatriate managers, by engaging directly with the expatriate manager via an anonymous response without involving the expatriates host company. Such an approach, and in particular on the African continent, has not been done in any significant detail in the past and for this reason, given the uncertainty of the response rate and problems that may have be encountered, the researcher engaged in an exploratory research study.

The objectives, therefore, of this study as highlighted in chapter 1, were to compare the success rates of South African expatriate managers who have worked in sub-Saharan African countries to those of First World countries and identify key determinants for success with possible differences between the two regions and to identify variations within management demographics, levels and experience. Other objectives included conducting a needs analysis for the improvement of expatriate success rates in sub-Saharan African countries.

The researcher also proposed possible future areas of formal study that arose from the data analysis and propositions that this study outcome has supported, with theoretically sustained reasons for the results.

4.2 Research Problem

In conducting international business in a foreign country, the dilemma that management faces is whether to staff the operations with expatriate managers from the MNC or with local management from the host country. When HCN lack the required technical skills to fulfill the position, expatriation assignments becomes mandatory, but they come at a high cost and have a significant failure rate. When a MNC desires to do business in Africa, they are faced with additional challenges from the African environment, such as cultural differences with Western cultures.

The questions facing management are thus, how to balance cultural differences against technical skills, where to find the appropriate expatriate managers, how to

equip expatriate managers for these assignments and how to reduce the potential for failure?

The research problem was thus defined as:

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

The sub-Problems defined:

- An understanding of the difference in the success rates between South African expatriate managers who have worked in sub-Saharan African countries relative to those who have worked in First World countries.

Proposition Statement 1: There is a difference between the success rates of South African expatriate managers who have worked in sub-Saharan African countries compared to First World countries.

- An understanding of the major reasons that lead to failure of expatriate managers in sub-Saharan African countries compared to First World countries.

Proposition Statement 2: The major reasons given in the literature for the failure of expatriate managers will be dominant in the reasons found for South African expatriate managers.

Proposition Statement 3: Cultural differences will appear as one of the major reasons for failure of South African expatriate managers in sub-Saharan African countries.

Proposition Statement 4: The majority of expatriate managers who are unsuccessful fall out during the cultural shock or early in the adjustment stages of the life cycle.

- The key determinants that lead to expatriate management success in both sub-Saharan African and First World countries.

Hypothesis Statement 1: H_0 : A clearly defined job specification and outline of assignment requirements does not increase the success rate.

H_A : A clearly defined job specification and outline of assignment requirements increases the success rate.

Hypothesis Statement 2: H_0 : The appointment of an expatriate manager with the correct attributes and skills does not increase the success rate.

H_A : The appointment of an expatriate manager with the correct attributes and skills increases the success rate.

Hypothesis Statement 3: H_0 : An effective selection process does not increase the success rate.

H_A : An effective selection process increases the success rate.

Hypothesis Statement 4: H_0 : The correct training, including cross-cultural and language training, does not increase the success rate.

H_A : The correct training, including cross-cultural and language training, increases the success rate.

Hypothesis Statement 5: H_0 : The effective training of the entire family, and not just the expatriate manager, does not increase the success rate.

H_A : The effective training of the entire family, and not just the expatriate manager, increases the success rate.

Hypothesis Statement 6: H_0 : An effective pre-departure planning process does not increase the success rate.

H_A : An effective pre-departure planning process increases the success rate.

Hypothesis Statement 7: H_0 : An effective relocation and orientation program does not increase the success rate.

H_A : An effective relocation and orientation program increases the success rate.

Hypothesis Statement 8: H_O: The appropriate continued support, while on assignment, does not increase the success rate.

H_A: The appropriate continued support, while on assignment, increases the success rate.

Hypothesis Statement 9: H_O: The appropriateness and effectiveness of the management style used in the host country does not increase the success rate.

H_A: The appropriateness and effectiveness of the management style used in the host country increases the success rate.

Hypothesis Statement 10: H_O: The greater the cross-cultural adaptability of the expatriate family does not result in a change in the success rate.

H_A: The greater the cross-cultural adaptability of the expatriate family, results in a change in the success rate.

- Variation in success rates with respect to management demographics, management level, and expatriate management experience.

Hypothesis Statement 11: H_O: The demographics of the expatriate manager, and the family, will have no impact on the success rate.

H_A: The demographics of the expatriate manager, and the family, will have an impact on the success rate.

Proposition Statement 5: As the demographics of South African management changes, it will have an impact on the success rate.

Hypothesis Statement 12: H_O: Management level and experience will not increase the success rate.

H_A: Management level and experience will increase the success rate.

- Variation in success rates between sub-Saharan African countries and their key determinants.

Proposition Statement 6: There will be a difference in success rates across the countries in sub-Saharan Africa.

Proposition Statement 7: The determinants will fall within the same framework as tested between sub-Saharan Africa and First World countries but differences in key determinants will vary.

4.3 Research design

The research question was answered using mostly quantitative statistical study techniques, but also included qualitative case study. The difficulty in making use of entirely statistical techniques was that the population size was not quantifiable, limiting generalizations of the study to the sample taken.

The research design took the form of a cross sectional dimension, collecting primary data which was ex post facto in nature as the researcher had no influence over the variables that effected the outcome of the research question.

The study was an exploratory study and the purpose was to produce descriptive data, without induced causality, with the view of providing direction for future study and hypothesis formulation.

The data was collected using interrogation and communication techniques as detailed further below under sample design and measurement instrument. This resulted in the data collection having taken place under participant's actual work routine without any modification as this would have biased the outcome of the measurement.

The research took place under field conditions and no manipulation of the setting took place as this would have biased the outcome of the study.

4.4 Sample design

The target population was any South African who completed a contract working, at a management level, in a sub-Saharan African or First World country for longer than two years. The expatriate managers therefore fitted the description of either a classical or a suitcase expatriate.

The main parameters of interest were the percentage failure rates of expatriate managers in sub-Saharan African and First World countries and the comparison of these two results to determine if there was a difference between the two.

The sampling frame from which the sample was taken was the same as the target population. The size of the population was unknown and so the sample representation was a non-probability sample, as not all expatriate managers had a known non-zero chance of being selected in the sample.

Since the unknown size of the population resulted in a non-probability sample, generalizations about the target population would not be able to be made, and would therefore be limited to the sample. For this reason the sample size needed to be as big as possible so that the results were likely to be as close to the population as possible. Therefore no maximum sample size was stated, only a minimum sample size of sixty valid participants.

The sample type was a convenience sample, given the cost constraints of reaching the entire expatriate population, and the requirement was to have two similar size samples of expatriate managers who worked in sub-Saharan African and First World countries.

The researcher made use of convenience and snowball sampling techniques in order to attract the required amount of each class for the sample.

4.5 Measurement instrument

The measurement instrument used was a predominantly quantitative questionnaire with a qualitative question that allowed the respondent to indicate any difficulty experienced other than those listed in the questions.

The questions were formulated around the propositions and hypotheses to be tested, drawing from the relevant theory as presented in Chapters 2 and 3 above.

The questionnaire existed in web format as well as excel format for ease of use.

The desired response rate was around 5% and was driven through telephonic and mail follow-ups to assist in increasing the response rate.

A qualified industrial interviewer administered the questionnaires, when required, but most of the responses were online on the website. The interviewer assisted the researcher when contacting companies to identify their willingness to participate in the study.

The questionnaire was approved by Mr. Jopie Coetzee, the researchers study leader.

The measurement instrument matrix is attached as appendix 1.

The consistency matrix is attached as appendix 2.

4.6 Data Collection

The data was collected predominantly by posting the measurement instrument on a web hosted internet site together with all other relevant details. The address of this website was www.pluto.co.za/expat/ and had been live on the internet for the past two and a half years. Appendices 3 to 8 show the various pages of the website.

The website was marketed in numerous ways and the potential respondent could either access the website to complete the questionnaire online or they could have responded to the researchers e-mail address and submit the questionnaire in excel format, over fax or on paper.

Once the data had been submitted on line it was saved in an online database, which was password protected for data security, and could be downloaded by the researcher as needed.

The questionnaire was marketed in the following ways:

- The website address was emailed out together with a request to complete the questionnaire to all business associates of Mr. Jopie Coetzee who he had contact with in the International Business Management field.
- The email was sent out to all MBL3 students for 2005, 2006 & 2007 as well as all MBL1 & MBL2 students for 2007.
- The email was sent out to over 4'000 business associates of the researcher including many corporate top 100 and SME companies within South Africa.
- The email was sent out to many friends who passed it on to contacts that they had in the field.
- The website was marketed on "The Leadership Platform" a leadership talk radio station in 2005 and all listeners were requested to visit the website. This engagement gave the researcher the opportunity when interviewed on air to push the objectives and desired outcomes of the study as well as the Unisa SBL and the department of International Business Management.

- The snowball effect was encouraged where possible to try and increase reach.
- The researcher contacted other universities and MBA colleges who have an international business management department to request assistance in trying to reach the desired minimum sample size.

4.7 Data Analysis

Several techniques were used and have been discussed in the methodology below.

Firstly simple descriptive statistics were generated in order to ensure for data integrity and to gain an insight into the outcome of the results obtained. It was anticipated that the measure of central tendency or location would be the arithmetic mean, the measure of spread would be variance, and the measure of shape would be skewness. The minimum and maximum would also be reported.

The failure rates were reported as a percentage of the sample size, and a table was used to display the outcome. Bar graph diagrams were used to display the reasons for failure. Bar graph and t-test tables were used to display data on determinants of success.

The one-tailed t-test for independent samples was used to test for significant difference between the group that failed and the group that succeeded (Levine, Berenson and Stephan, 1999; Cooper and Schindler, 2003).

The data editing, coding and entry into an excel database was done by the researcher. Since one person did all the responses, this helped eliminate any bias and errors that may have occurred.

The resultant database was then examined for miscoded, missing, out of range data and other problems so they could be rectified or excluded from the relevant data set. A set of descriptive statistics was generated for each set of questions, reflecting the appropriate measures of location, spread and shape in order to establish data integrity.

The results of all questions dealing with specific potential determinants of success were averaged for each respondent in adjacent spreadsheets of the excel file in preparation for construction of graphs and execution of statistical analyses.

The percentage failure rates for the two classes, namely sub-Saharan African and First World countries were calculated and the results displayed in tables for comparative purposes. The reasons for failure were tabulated in a table and a bar graph constructed for each class.

For exploratory purposes smoothed trend line graphs were constructed for each examined determinant of success and for each of the three groups of interest, namely those expatriates that had failed from the sub-Saharan African countries (sSAF group) and those that were a success from the sub-Saharan African countries (sSAS group) and the First World countries (SFW group). These curves graphically present to the reader the differences in responses for the groups that were successful compared to the group that failed and highlight the more dominant determinants of success.

The data from these questions, which analyze the determinants of success, were interval data and so parametric tests could be used to statistically test for significant difference between the group that failed and the groups that succeeded. The three sets of data were independent and the sample size was to be small for the group that failed, so the one-tailed t-test was used to test for significant difference, given that the shift in mean for the failed group was expected to have moved left on the graphs produced should there have been a difference.

CHAPTER 5

RESEARCH RESULTS

5.1 Introduction

In this chapter the results are presented as interpreted by the researcher, based on the trends observed and limited statistical analysis performed on the data set as described below.

5.2 Questionnaire Response Rate

The questionnaire was distributed and marketed to a wide variety of potential respondents via e-mail, telephone, MBL student databases, word of mouth, radio, corporate companies and business associates. The snow ball effect would have further increased the reach to potential respondents. The potential respondents reached are estimated in the following table.

Table 5.1 – Estimated Potential Respondents Reached

Promotional Aspect	Expected Reach
e-mail	+ 4'000
Telephone	+ 300
MBL student database	+ 2'000
Radio	+ 5'000
Corporate Companies	+ 200 (15 companies)
Business Associates	+ 100
Word of Mouth	+ 150
Snow Ball Effect	+ 20%
Total	+ 14'100

Hence the estimated response rate to the questionnaire, with 69 valid responses, would calculate to be 0,49%.

5.3 Response Demographics

The questionnaire attracted 74 responses over the two and a half year active period, with 69 responses being valid responses with respect to being South African

expatriate managers. The sample was evenly split between sub-Saharan African and other 1st, 2nd or 3rd world countries, and the full split by country and world regions are detailed in the table below.

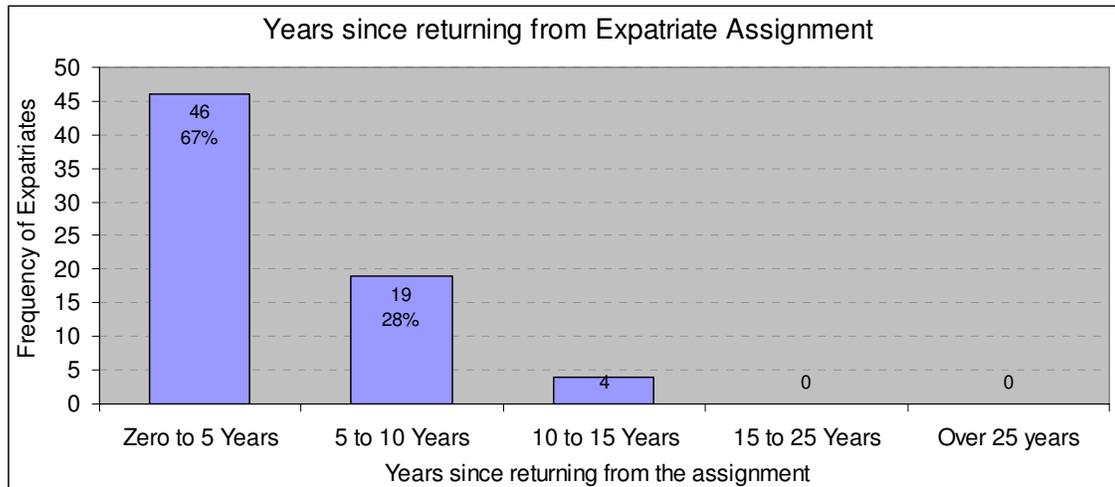
Table 5.2 – Country Split of Expatriate Sample

Country Demographic of Expatriate Sample					
sub-Saharan African Countries	Kenya	4	36	Eastern Africa	9
	Sudan	1			
	Tanzania	1			
	Uganda	3			
	Angola	2			
	Botswana	7			
	Malawi	1			
	Mozambique	11			
	Swaziland	1			
	Zambia	3			
	Zimbabwe	1		Southern Africa	26
	Nigeria	1			
	First World Countries	Australia		2	20
Canada		2			
Germany		2			
New Zealand		1			
Switzerland		3			
United Kingdom		6			
United States		4			
2nd & 3rd World Countries	Algeria	1	13		
	Bahrain	1			
	China	1			
	India	1			
	Malaysia	2			
	Papua New Guinea	1			
	Russia	2			
	Saudi Arabia	2			
	Suriname	1			
	UAE	1			

The researcher is particularly interested in the sample of 36 expatriates assigned to sub-Saharan African countries and the 20 assigned to First World countries. However the entire sample is used at various points of the analysis.

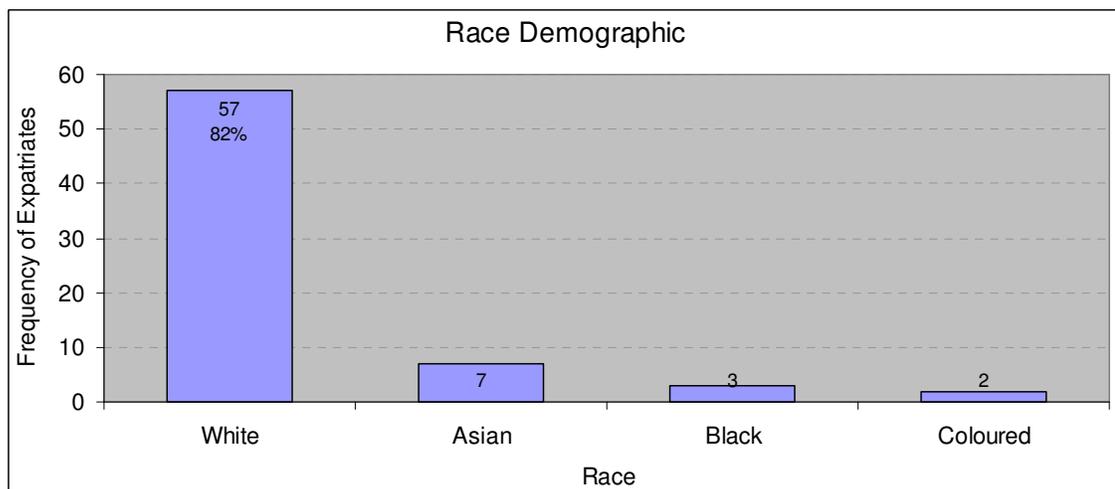
The period that has elapsed since the return of the expatriate manager is interesting in that the majority of the assignments, totaling 95%, have been completed within the past 10 years, which adds credibility to the findings of this research report. The spread is represented graphically below.

Figure 5.1 – Period since return from Assignment



With respect to the racial demographics the majority, at over 80%, of the sample was White and the balance split between Asian, Black and Coloured Expatriates. This is detailed in the figure below.

Figure 5.2 – Race Demographics of Expatriate Sample



The researcher was hoping to get a broader spread of racial groups so several of the propositions could be tested effectively. However, the above demographics are possibly in line with historical management trends and experience within South Africa, and it is possible that companies are sending suitably qualified white expatriate managers into African countries as part of their expansion strategy into Africa and hence making space in South Africa for BEE strategies and developing black managers.

The sample is also made up of dominantly married expatriates that have more than one child as demonstrated in the figures below.

Figure 5.3 – Marriage Status of Expatriate Sample

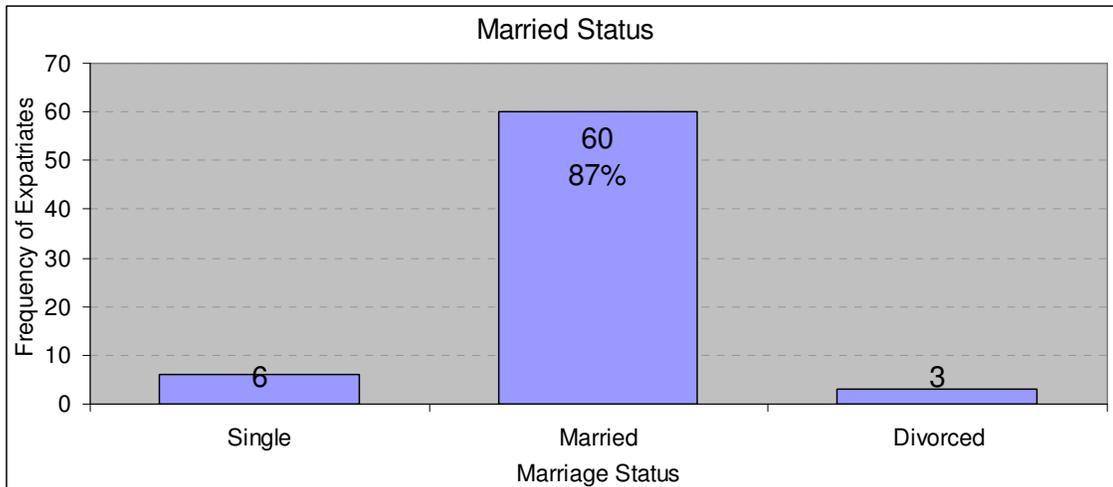
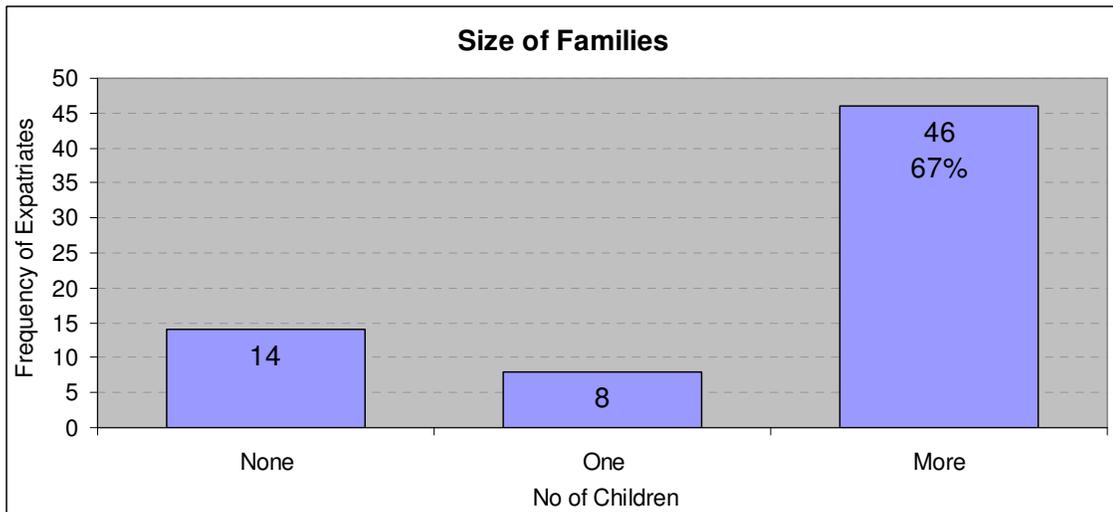
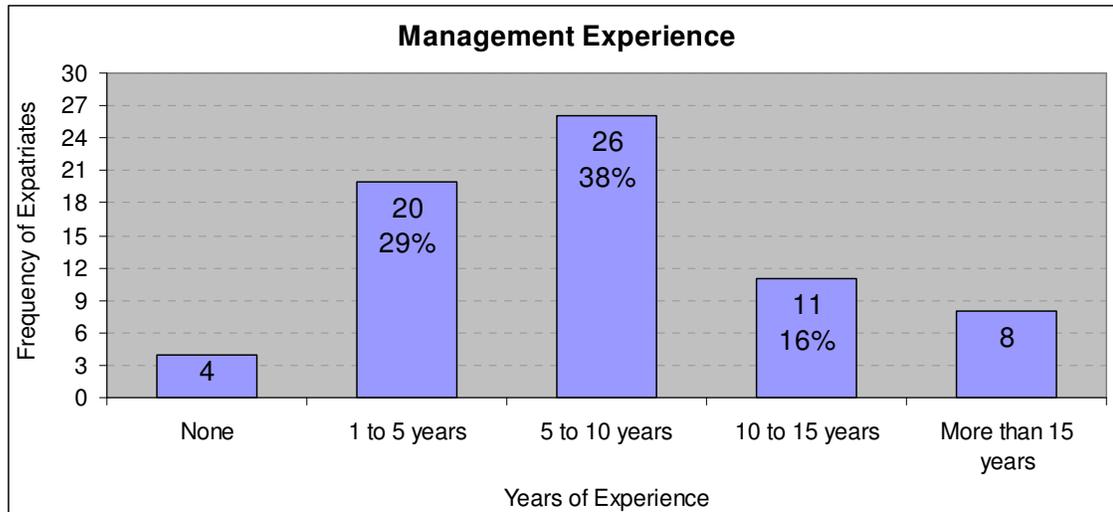


Figure 5.4 – Family Size of Expatriate Sample



There was other demographic data that the researcher attempted to survey, but due to problems with the way the data pulled through the website into the database the data was corrupted. Hence the researcher opted not to attempt to make use of this data. These demographics were measures such as gender and age of the expatriate. The researcher does not believe that this error negatively impacts on the study as the researcher was able to measure management experience which is deemed to be more important than age. This measure is displayed in the following figure.

Figure 5.5 – Management Experience of Expatriate Sample



Hence the assignments have been filled with Expatriates that are mostly white married managers with more than one child and a medium level of management experience, within a range of sub-Saharan African and First World countries.

5.4 Data Analysis

The “Final Codified Data Table” as found in Appendix 9 was obtained by downloading the database from the internet web site and scanning the data for invalid entries and false data. The data was scanned to ensure that all respondents complied to the first two questions in that they were South African citizens and that they had indeed completed an expatriate assignment. The data was sorted by sub-Saharan African (sSA), First World (FW) and other (other) countries and the sSA sub group was sorted by African economic regions.

It was found that five responses did not meet the requirements in that the respondent did not fill in any of the questions. These five responses were therefore removed from the sample.

The researcher also found that the answers to Questions 12, 26 and 62 did not pull through into the database. As a result the third most challenging aspect of the assignment (Question 12), the company’s extent of measure on ability to handle stress (Question 26) and the Expatriate’s age (Question 62) could not be included in the analysis.

The researcher also found inconsistencies in the results on Questions 57, 60 and 65 resulting in the researcher not being able to include content such as the consideration for the workforces home life (Question 57), Gender (Question 60) and whether the family relocated (Question 65) into the analysis. Once again the researcher feels that this setback did not adversely affect the study.

To avoid the redundancy of analyzing each and every question separately, the researcher had designed the Questionnaire (Appendix 7) and Measurement Instrument Matrix (Appendix 1) in such a way that by combining the results of all questions pertaining to a specific proposition or hypothesis, the parameter could be analyzed as a whole by reviewing the combined data graph and t-test outputs.

Hence each aspect of the study will be analyzed in the following sections with data that is relevant to that topic. The potential for analysis from this vast questionnaire are almost endless, but given the scope of this study, and its exploratory nature, the researcher will stick to the proposed analyses criteria.

5.5 Expatriate Failure Rates

Firstly the entire sample was analyzed for failure and successes with respect to the assignment undertaken. There were three measures built into the questionnaire to screen for potential failure modes. While there was the temptation to blindly assume that anyone who met any one of these three measures was a failure, the correct assessment was to review these responses in detail to determine whether there was a reasonable degree of certainty that they were either a success or a failure at the assignment. Hence each possible failure was examined in detail.

The three indicators built into the questionnaire were as follows:

1. The Expatriate returned home prior to the end of the contract period.
2. The Company or Expatriate terminated the contract.
3. The Expatriate declared a low level of success.

Question 4 tested the original contracted period and Question 6 tested the actual contract period prior to returning home or changing jobs. Any period in Question 6 that was less than Question 4 was flagged as a Premature Return

Question 7 tested the main reason for termination of the contract. An answer that indicated that the Company or the Expatriate initiated premature return was an indication of a potential failure.

Question 8 asked the Expatriate the extent to which they accomplished the assignment they were contracted to perform on a scale of 1 to 5 with 1 being zero compliance and 5 being total compliance. Any answers with 1, 2 or 3 were regarded as a failure.

When analyzing the first indicator for failure it was found that 16 of the 69 Expatriates (23%) had returned home prematurely. The second indicator showed that 8 of the 69 (12%) had either initiated or their company initiated premature returns, and with the third indicator it was found that 5 of the 69 (7%) admitted that they had not accomplished the full requirements on the assignment. When reviewing anyone who met any one of these criteria it was found that 18 of the 69 (26%) could potentially have failed their assignment.

However, it was realized that three of the Expatriates, although they returned home early, they all moved on to another assignment and regarded themselves as having fully completed the assignment requirements. These three Expatriates were regarded as a success and the balance (15 of the 69) were regarded as a failed assignment making the failure rate for the total sample of South African Expatriate Managers 22%.

Reviewing those that had returned home early or whose return had been prematurely initiated, the researcher found that 9 of the 69 met this requirement making 13% failure rate. There were an additional 2 of the 69 that had worked full term but indicated that they did not achieve what they needed to achieve, hence sitting out their contracts. These 2 make the total 11 out of 69 (16%) and it was clear to the researcher that 4 other respondents were border line but had strong indicators that they had failed. This made up the 15 out of 69 or the 22% failure rate for the total South African sample.

Hence using the first approach, the researcher could have concluded that the failure rate was between 7% and 23% with a possible maximum of 26% if one combined the three indicators. Using a more logical approach the researcher proposes that the

true failure rate lies between 13% and 22% with the more likely value being closer to 22% and certainly above 16%. These results are tabulated below.

Table 5.3 – Failure Rates of entire SA Sample

Failure mode	# of Expatriates	% Failure Rate
Assignments less than Contracted period	16	23%
Initiated premature returns	8	12%
Acknowledged unsuccessful	5	7%
Combination of above 3 indicators	18	26%
Less the 3 who moved to new assignments	15	22%
Failure due to premature return	9	13%
Including Failure due to sitting out contract	11	16%
Including those who were border line	15	22%

As interesting as the above analysis and results are, the results become even more interesting when the analysis is conducted on the sub groups detailed in Table 5.2. The following analysis of failure rates look at the sub-Saharan African and non sSA countries sub groups as well as dividing these groups down further into First World and Southern and Eastern African sub groups.

When we analyze the 15 Expatriates who are accepted to have failed their assignments, we find that 13 of the 15 or 13 out of 36 (36%) are from sub-Saharan African countries. Only 1 is from First World countries and the other from 2nd / 3rd World countries. These 2 out of 33 make up a failure rate of 6% for non sSA countries. Due to the difference in sample size the mathematical rate for First World countries is 5% and 2nd / 3rd World countries 8%.

Of the 13 Expatriates from sSA, 9 come from Southern Africa and 4 from Eastern Africa. This makes the Southern African failure rate 35% and Eastern African failure rate 44%. The only country that had enough Expatriates to consider calculating the failure rate was Mozambique who had 2 failures out of 11 (18%) which is below the Southern African failure rate. The table below tabulates the results of the sub groups.

Table 5.4 – Failure Rates by Regions

Failure mode	# of Expatriates	% Failure Rate
Failure Rate in sub-Saharan Africa	13	36%
Failure Rate outside of sub Saharan Africa	2	6%
Failure Rate in First World countries	1	5%
Failure Rate in 2 nd / 3 rd World countries	1	8%
Failure Rate in Southern Africa	9	35%
Failure Rate in Eastern Africa	4	44%
Failure rate in Mozambique	2	18%

Hence we can conclude that the failure rate in sub-Saharan African countries is more than 7 times higher than in First World countries or 6 times higher than in countries outside of sSA. In the following sections we examine why this trend occurs.

5.6 Major Challenges on Assignment

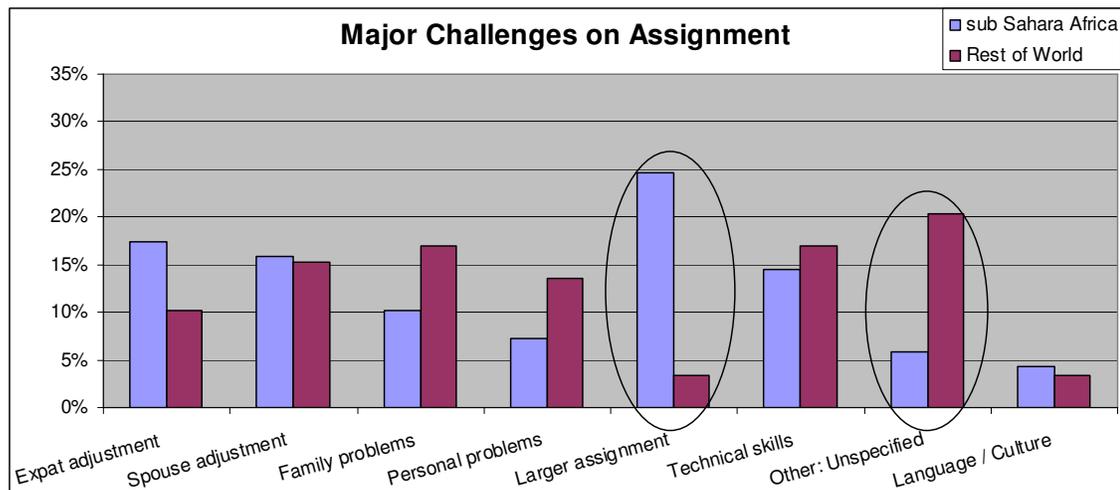
The graphs that follow in this section detail the challenges that were faced by the sample of Expatriates. Question 9 and 10 surveyed the aspect of the assignment that the Expatriate found the most challenging, and Question 11 the aspect that they found the second most challenging. A list of the most common challenges, as in Expat Adjustment, Spouse Adjustment, Family Problems, Personal Problems, Larger Assignment and Technical Skills were listed and then the respondent had the opportunity to select another challenge and specify it in Answer 10.

In analyzing the data, the researcher pooled the above answers, thus measuring the top two challenges from each sample. The comparison was then made between the sSA and the Rest of the World (RoW) sample and then the failed and succeeded groups from this same data set. The process was repeated to include a comparison between sSA and FW data sets as well as Southern and Eastern African data sets.

The interesting result of this analysis is that there is a significant spread across all of the potential challenges listed in the survey for all three data sets analyzed. Specifically looking at the comparison between sSA and RoW samples it is seen that Expatriate and Spouse Adjustment and Family and Personal Problems were significant in both groups. Of particular interest is that a much higher level of sSA Expatriates battled to cope with the larger foreign assignment, which was the

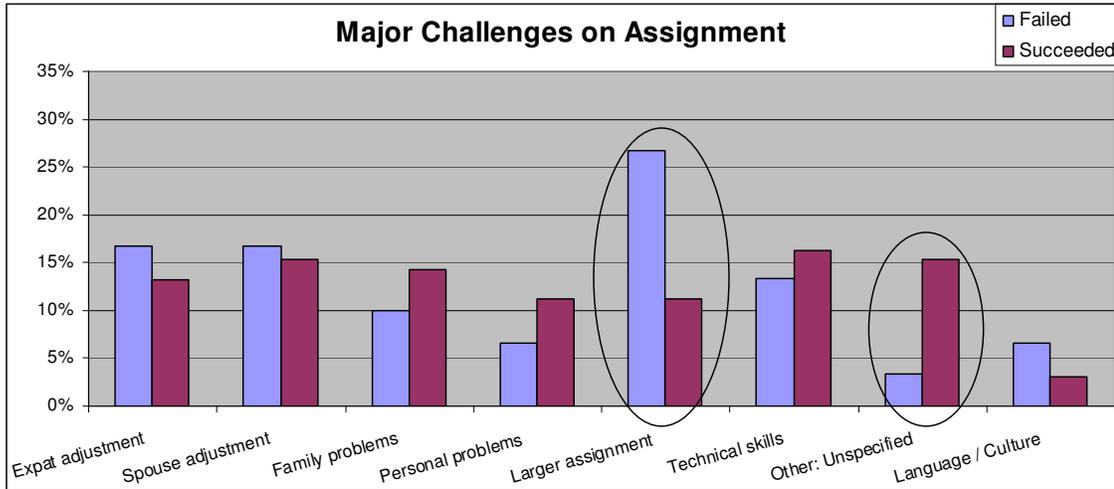
dominant challenge in this group. The majority of the RoW Expatriates selected another challenge, other than the six specified but failed to give a reason in Answer 10. It is interesting that, although the group finds the six challenges significant they also had challenges that came from other areas. Had they specified the challenge it may have been possible to allocate the challenge to one of the six areas, but there is logical evidence that they battled with areas outside of the normal challenges. The graph also included those that singled out culture as an additional challenge. This seems to be small compared to the other reasons given, but the reader should consider that culture is evident across all the specified challenges and cannot be separated into a distinct isolated challenge. The results for this data set are found in the graph below.

Figure 5.6 – Major Challenges between sSA and RoW groups



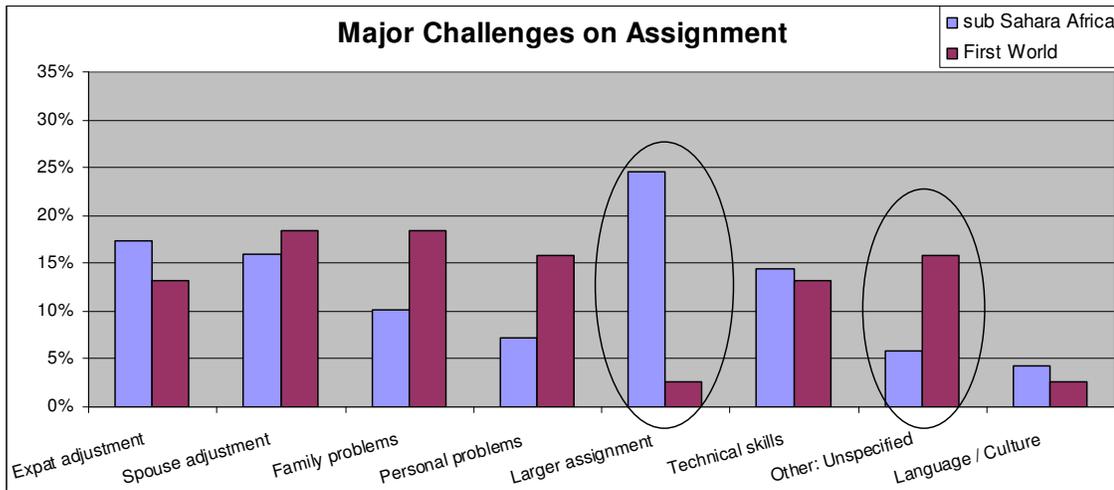
The same data set was then sorted into two sub groups, one that succeeded with their assignment and the other that failed to complete the requirements. The data was analyzed in exactly the same way. It was interesting that the same trend emerged from this analysis in that the group that failed was the group that battled with coping with the larger foreign assignment and the group that succeeded battled with other unspecified challenges. This is a symptom of the fact that the majority of the failures came from the sSA sub group and the failure rate of the RoW sample was only 6% with a relatively small data set. The results are displayed graphically in the figure that follows.

Figure 5.7 – Major Challenges of Failed Assignments with sSA & RoW



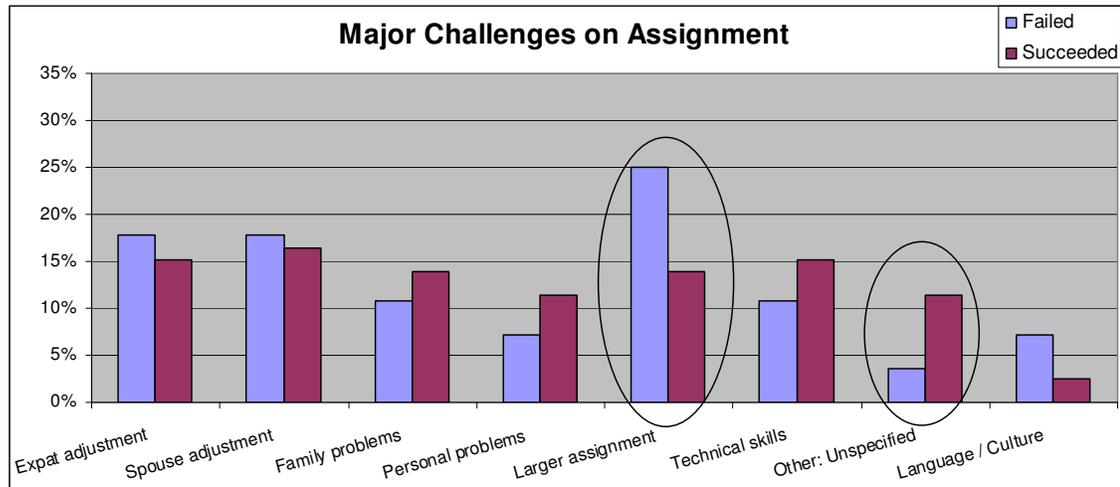
The same analysis between sSA and FW Expatriate assignments yielded very much the same trend as between sSA and RoW countries with some variation in the magnitude of the specific challenges. The same trend emerged with respect to the FW group having a high degree of unspecified challenges which did not fall within the survey frame work. These two graphs are found below.

Figure 5.8 – Major Challenges between sSA and FW groups



Once again the researcher points out that although the expectation could be that cultural challenges would have been more significant and the difference from sSA and FW more dominant, the cultural impact could have been the root cause of many of the challenges which manifest themselves in other areas of this graph.

Figure 5.9 – Major Challenges of Failed Assignments with sSA & FW



The analysis done between the Southern and Eastern African sub groups was also very interesting and a very different picture emerged compared to the analysis above. The biggest challenge cited for both groups was still the coping with the larger foreign assignment, but other more dominant challenges emerged. For the Eastern African group Technical Skills was also very dominant and for the Southern African group Expatriate and Spouse Adjustment issues appeared. The Eastern African group battled more with the Larger Assignment and Technical Skill which could be as a result of the fact that the challenged faced in East Africa and the business environment is significantly different to South Africa which is closer to home. It was interesting to notice that Southern African countries gave more challenges with respect to adjustment, and in particular Spouse Adjustment, considering the larger differences in Eastern African lifestyle, but this could be due to the fact that the Technical Challenges outweighed the other challenges particularly since this analysis has only looked at the top two challenges for each respondent. This graph is represented in figure 5.10 below.

Of interest is that in the data set reviewing the differences between failed and succeed Expatriates in Southern and Eastern African countries, the differences are not significant within each challenge. This indicates that even though the assignment may have been a success the challenges faced and the order of these challenges appear to be identical. This graph is found in Figure 5.11 below.

Figure 5.10 – Major Challenges between South and East Africa

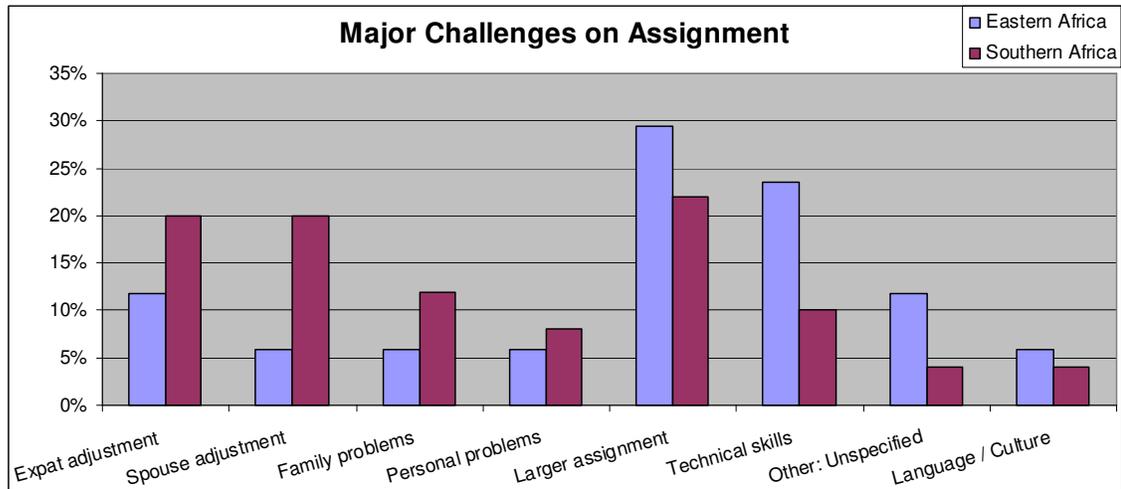
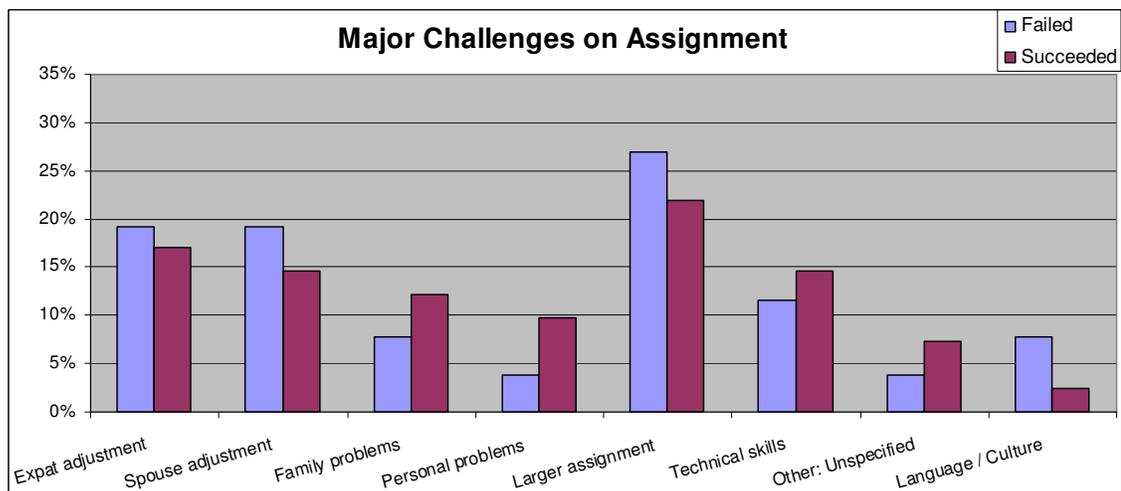


Figure 5.11 – Major Challenges of Failed Assignments with sSA



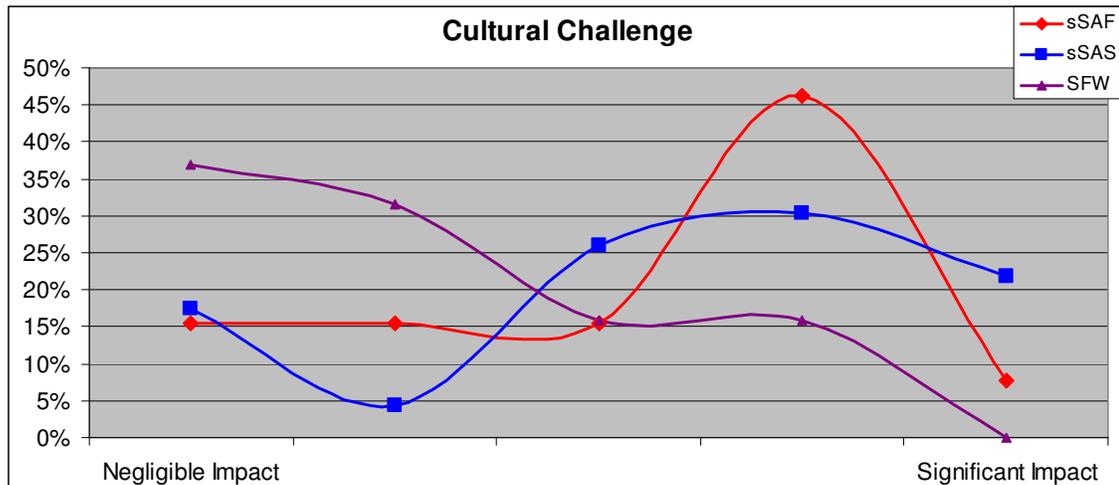
5.7 Culture and Expatriate Failure

The reader would have already formulated the idea that culture has played a significant role in the success or failure of Expatriate managers. This section highlights without doubt the challenge that cultural distance plays in the outcome of an assignment.

Question 13 surveys the respondent’s perception, on a scale of 1 to 5, the extent to which cultural differences impacted the challenge of the assignment, with 1 being a negligible impact and 5 a significant impact. The three groups of interest in this study were the sub-Saharan African group that failed (sSAF), the same group that

succeeded (sSAS) and the First World group that succeeded (SFW). It is clear from the graph that follows that the majority of the SFW group felt the impact of culture to have been mostly negligible while the two sSA groups felt that the cultural role was of significant impact.

Figure 5.12 – Cultural Impact on Assignment Outcome



The t-test results for p-values confirm that the difference in the mean between the SFW and sSAF groups was significant at a confidence level of 95% and that the sSAS and sSAF groups mean difference was insignificant at the same level. This result is interesting as it implies that for the same set of sSA countries the sample found the cultural difference challenging irrespective of whether the respondent was successful or not. The t-test results are tabulated below.

Table 5.5 – t-Test - Cultural Challenge between sSAF an sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	3.153846154	3.347826087
Variance	1.641025641	1.873517787
Observations	13	23
Pooled Variance	1.791461735	
Hypothesized Mean Difference	0	
df	34	
t Stat	-0.417673942	
P(T<=t) one-tail	0.339405759	
t Critical one-tail	1.690924198	
P(T<=t) two-tail	0.678811518	
t Critical two-tail	2.032244498	

Table 5.6 – t-Test - Cultural Challenge between sSAF an SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	3.153846154	2.105263158
Variance	1.641025641	1.210526316
Observations	13	19
Pooled Variance	1.382726046	
Hypothesized Mean Difference	0	
df	30	
t Stat	2.477468986	
P(T<=t) one-tail	0.009543849	
t Critical one-tail	1.697260851	
P(T<=t) two-tail	0.019087699	
t Critical two-tail	2.042272449	

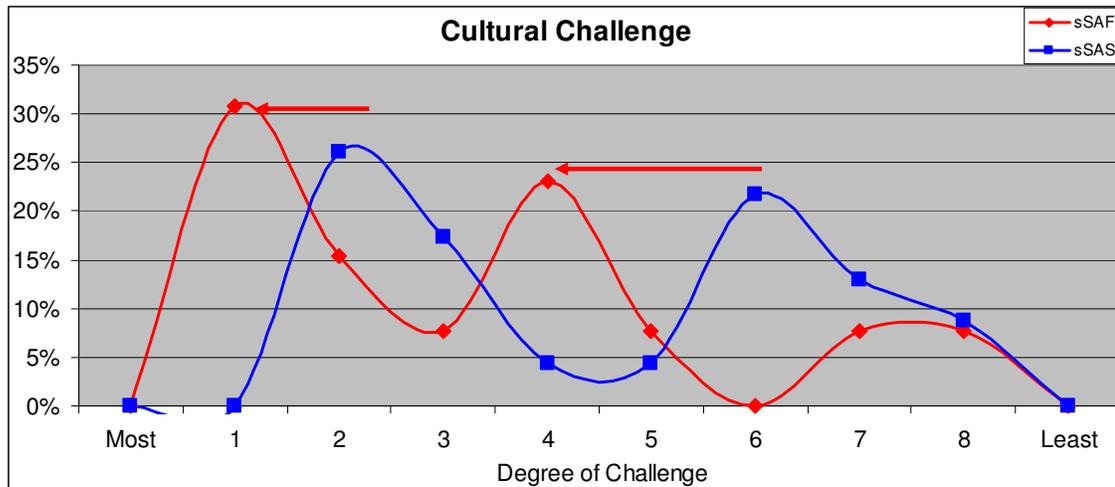
With a clear understanding that culture has a significant impact on the assignment and challenges faced, and in particular the fact that the failed and successful groups who were assigned into sSA both had similar views on the extent of this challenge, it was interesting to analyze the positioning of culture among the other well accepted reasons for failure or difficulties while on assignment.

Question 14 gave the respondent the opportunity to place the cultural challenge on a scale of 1 to 8 indicating where in the list of challenges they felt culture fell. What emerged from this was a graph that shows several trends. Three peaks were noted for both the sSAF and sSAS groups. For the sSAS group the 1st peak shows that about 25% of the respondents in that group place culture 2nd on the list and a 2nd peak show they place culture 6th and then the 3rd peak which is less pronounced is 8th on the list. The sSAF group shows an interesting shift in their three peaks with the 1st, with over 30% of the responses, being positioned in 1st place and the 2nd peak in 4th place on the list with the 3rd peak between 7th and 8th.

The researcher notes two key lessons from this graph. Firstly the 1st peak in each group probably represents the respondents that seriously battled with cultural issues while on assignment, the 2nd peak for each group are the respondents that acknowledge cultural issues to have been significant but had challenges central to those on the list in section 5.6 above. The 3rd peak are those respondents that either were well prepared for their assignment, had experience or knowledge of the host culture, were culturally adaptable or perhaps with the failed group were unaware or unconscious to the impact of culture on their experience. The second lesson is that there is a definite shift higher up the priority order for the sSAF group who failed

indicating that cultural issues and differences was in fact a contributor to their failure and the higher failure rates of Expatriates fulfilling assignments in sSA vs those in FW countries. The graph is detailed below.

Figure 5.13 – Cultural Positioning amongst list of Key Challenges



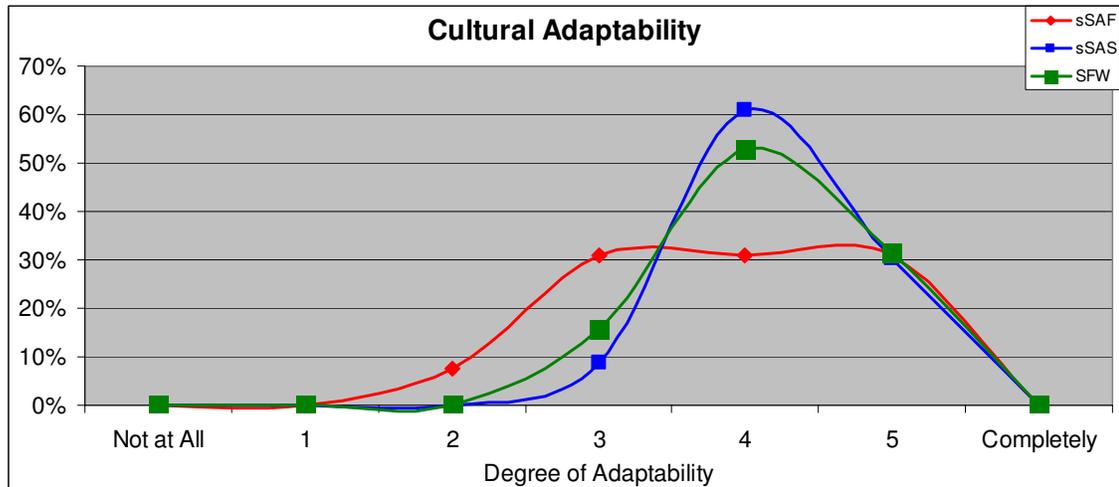
This finding is of key importance and significance to this study and adds credibility to the higher failure rate in sSA countries compared to FW countries and proves that culture is one of the significant reasons for failure or difficulty along with the well accepted reasons and challenges and that culture is high on this list as a challenge in sSA countries.

5.8 Cultural Adaptability

Questions 58 and 59 were included in the survey to measure the adaptability of the sample, the former measuring awareness of ones own culture and the latter the adaptability to other cultures. Questions 22, 27 & 28 measure the willingness of the Expatriate and family to interact with the host country nationals and learn a foreign language.

The graph on multicultural adaptability shows the sSAS and SFW groups to peak at a 4 on a scale of 1 to 5 indicating a strong adaptability index, while the sSAF group has less of a peak with a split result across 3s, 4s & 5s, with a slight skew to the neutral 3. This is seen in the following graph.

Figure 5.14 – Cultural Adaptability



The t-Tests show that the difference in means are insignificant because the sSAF groups mean averages out at 4 along with the other two groups, but clearly from the graph there is indication of a difference trend with the sSAF group. The t-Test tables follow.

Table 5.7 – t-Test - Cultural Adaptability between sSAF an sSAS

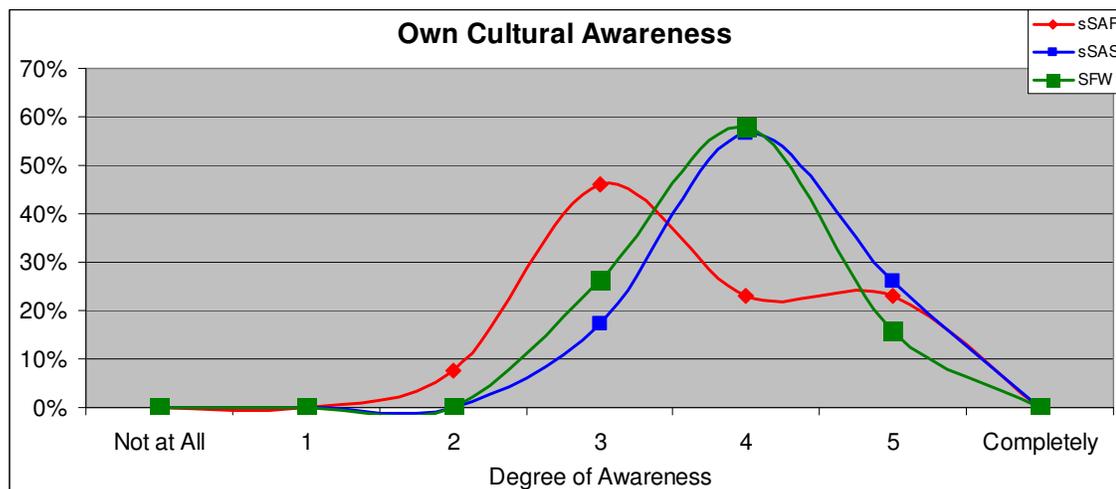
t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	3.846153846	4.217391304
Variance	0.974358974	0.359683794
Observations	13	23
Pooled Variance	0.576627976	
Hypothesized Mean Difference	0	
df	34	
t Stat	-1.408926312	
P(T<=t) one-tail	0.083968697	
t Critical one-tail	1.690924198	
P(T<=t) two-tail	0.167937394	
t Critical two-tail	2.032244498	

Table 5.8 – t-Test - Cultural Adaptability between sSAF an SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	3.846153846	4.157894737
Variance	0.974358974	0.473684211
Observations	13	19
Pooled Variance	0.673954116	
Hypothesized Mean Difference	0	
df	30	
t Stat	-1.054999113	
P(T<=t) one-tail	0.149924235	
t Critical one-tail	1.697260851	
P(T<=t) two-tail	0.299848469	
t Critical two-tail	2.042272449	

The trend with respect to the Expatriates own cultural awareness is more pronounced with the peaks for sSAS and SFW groups resembling the cultural adaptability peaks while the sSAF group peak has a definite peak at the 3 rating shifting to the left compared to the cultural adaptability graph. Hence it is evident that there is a difference in awareness between groups that succeed and those that fail their assignments, with the failed sample being less aware than the successful sample. This can be seen from the relevant graph.

Figure 5.15 – Own Cultural Awareness



The t-Test result also shows that the difference in mean between the sSAF and sSAS groups to be significant at 95% confidence level, while the result for the difference in means between sSAF and SFW groups was not significant. The graph clearly shows the slight shift to the left of the SFW group which causes the mean to shift closer to

that of the sSAF group, but clearly there is a difference in trend graphs. These tables are listed below.

Table 5.9 – t-Test - Own Culture Awareness between sSAF an sSAS

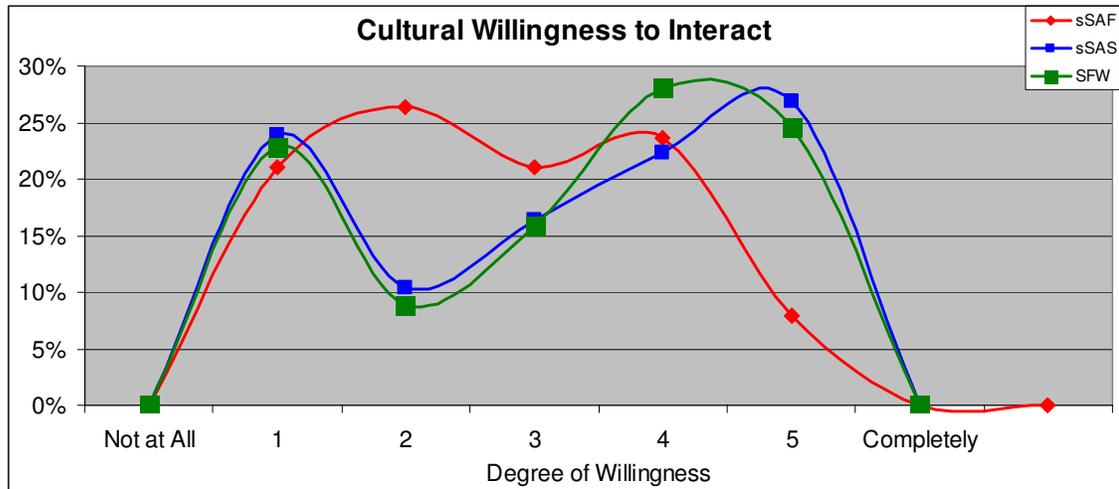
t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	3.615384615	4.086956522
Variance	0.923076923	0.446640316
Observations	13	23
Pooled Variance	0.614794413	
Hypothesized Mean Difference	0	
df	34	
t Stat	-1.733274358	
P(T<=t) one-tail	0.046054423	
t Critical one-tail	1.690924198	
P(T<=t) two-tail	0.092108846	
t Critical two-tail	2.032244498	

Table 5.10 – t-Test - Own Culture Awareness between sSAF an SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	3.615384615	3.894736842
Variance	0.923076923	0.432748538
Observations	13	19
Pooled Variance	0.628879892	
Hypothesized Mean Difference	0	
df	30	
t Stat	-0.978682383	
P(T<=t) one-tail	0.167781856	
t Critical one-tail	1.697260851	
P(T<=t) two-tail	0.335563713	
t Critical two-tail	2.042272449	

When reviewing the willingness of the Expatriate and Family to interact with the host culture and even learn a foreign language we find that all three group's data is widely spread and unfortunately all groups appear narrow minded with respect to opening themselves up to other cultures. This result, even despite our political history, was quite alarming to the researcher, in that it was felt that Expatriates would have been more open minded. Anyway there is a hint at a shift in the trend with those that were successful from both the sSAS and SFW groups versus the sSAF group. This graph is displayed below.

Figure 5.16 – Willingness to Interact with Host Nationals



The t-Test results show that the difference in means between the sSAF and SFW is significant while the difference between the means of the sSAF and sSAS groups is not significant. This supports the higher failure rate in sSA countries. The tables are shown below.

Table 5.11 – t-Test – Willingness to Interact between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	2.710526316	3.179104478
Variance	1.616642959	2.361374943
Observations	38	67
Pooled Variance	2.093849862	
Hypothesized Mean Difference	0	
df	103	
t Stat	-1.594570869	
P(T<=t) one-tail	0.056936134	
t Critical one-tail	1.659782274	
P(T<=t) two-tail	0.113872268	
t Critical two-tail	1.98326409	

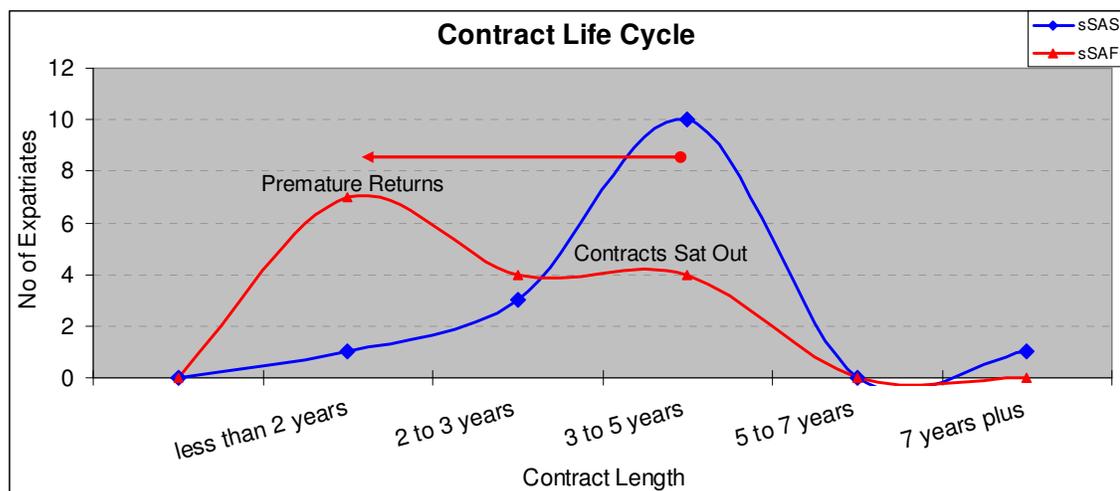
Table 5.12 – t-Test – Willingness to Interact between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	2.710526316	3.466666667
Variance	1.616642959	2.049717514
Observations	38	60
Pooled Variance	1.882803363	
Hypothesized Mean Difference	0	
df	96	
t Stat	-2.657995966	
P(T<=t) one-tail	0.004604434	
t Critical one-tail	1.660881441	
P(T<=t) two-tail	0.009208868	
t Critical two-tail	1.984984263	

5.9 Expatriate Life Cycle

Plotting a graph of the contract lengths of the two sSA groups yields a very interesting trend that further supports the findings of the study thus far. The sSAS group shows a strong peak at 3 to 5 years contract length were the majority of the respondents lay. The sSAF group has two peaks, one at 3 to 5 years contract length and another more dominant peak at less than 2 years contract period. This graph highlights the premature returns of the bulk of the failed sSA sample (less than 2 years) as well as those who sat out the contract before return (3 to 5 years). This data was verified with the difference between the initial contract period and the actual contract period as displayed in this graph which follows.

Figure 5.17 – Assignment Life Cycle



This finding supports the view that those who return home prematurely fail during the cultural shock or adjustment phase of the project. The researcher cannot be totally sure of exactly which stage of the life cycle the failed Expatriates would have fallen out but believes that given the cultural distance in sSA countries that the average time of each phase, and in particular the cultural shock and adjustment phases, would be longer than in most other regions of the world. This then clearly highlights those Expatriates that fell out in these two stages and returned home prematurely and those who sat out the period but were less effective than the sSAS group.

5.10 Management Experience

Logic often tells one that the more experience one has the better they will perform, but perhaps with an Expatriate work force experience is about the time spent on foreign assignments rather than time spent in their home country. In a graph plotted showing the years experience that each respondent had in any management function, with the unsuccessful assignments plotted on the z-axis as a comparison, the proportionate spread of failed assignments over the years experience is noted. This can be seen in the graph that follows.

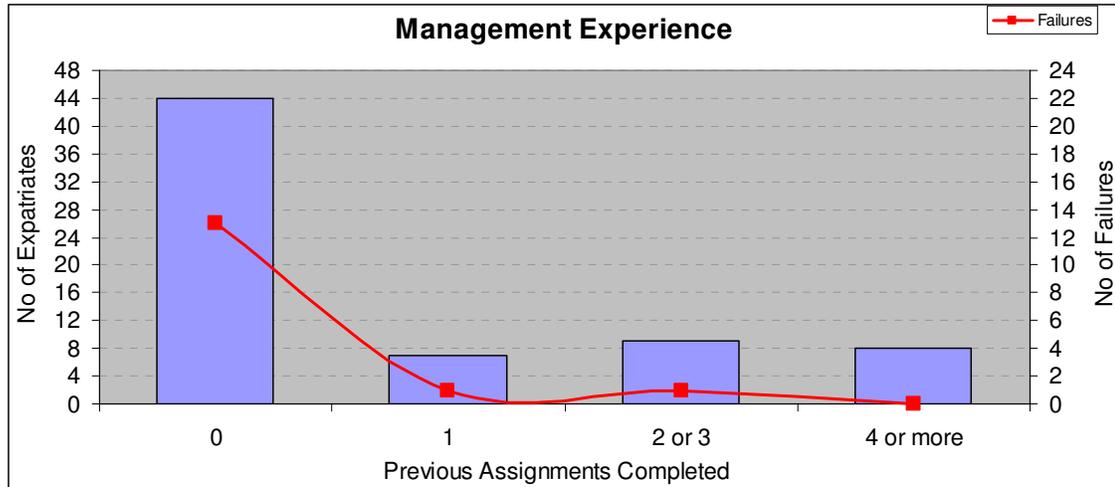
Figure 5.18 – Management Experience in years



We see from the above graph that the failure rate is similar for each period of years experience showing that home experience, while it could be an indicator of a successful manager, it does not reduce the chances of failure on a foreign assignment. Does this mean that experience is not important? If so, what are the overriding determinants of success?

We should then look at experience in terms of foreign experience and so the researcher reviewed the same trends but this time using the number of previous assignments the Expatriates had fulfilled. This graph is also found below.

Figure 5.19 – Management Experience on foreign assignments

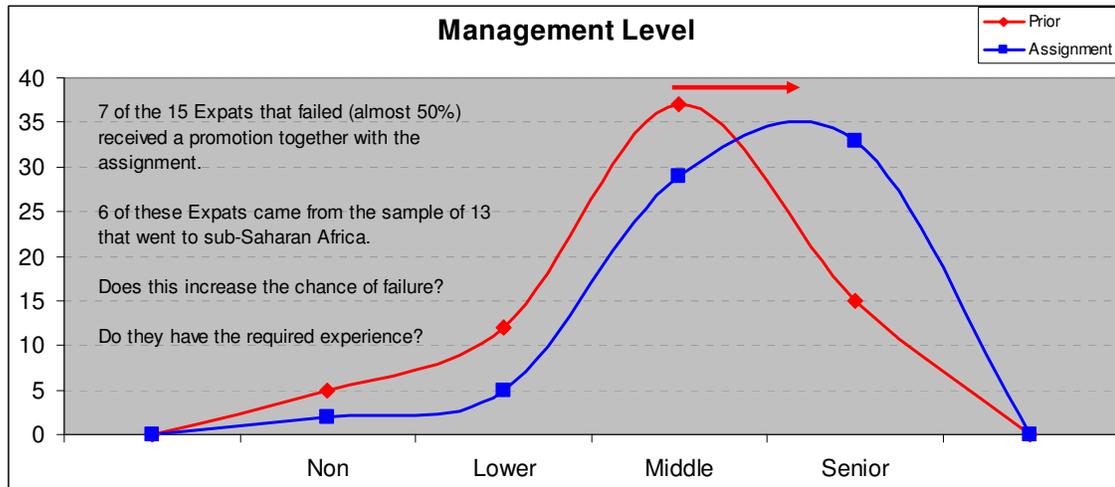


This graph shows that the majority of the failed assignments came from Expatriates who were on their first assignment. The sample of Expatriates who had previously fulfilled an assignment was relatively small but the failure rate of the group who had not been on a previous assignment was found to be 30% which is higher than the 22% found for the total sample and the failure rate for the group that had fulfilled previous assignments was found to be only 8%. Hence the failure rate of the inexperienced Expatriates is almost 4 times higher than the experienced group. This analysis clearly indicates that previous experience on Expatriate assignments carries far more weight when considering experience than did general management experience.

5.11 Management Level

As would be expected, there was a fairly high number of respondents who moved up a management level and received a promotion as they moved to their foreign assignment. The data indicates that 31 of the 69 respondents (45%) received a promotion and when reviewing the failed sample 7 of the 15 Expatriates (47%) fall in the group who got a promotion. The graph that follows clearly shows the shift in management level before and during the assignments.

Figure 5.20 – Management Level before and during assignment



The question that needs answering is whether this high level of promotion inspires the Expatriates to make a success or increases the risk of failure in their new assignments. Do the Expatriates have the required experience if they are embarking on their first Expatriate assignment and are promoted to a higher level of management at the same time?

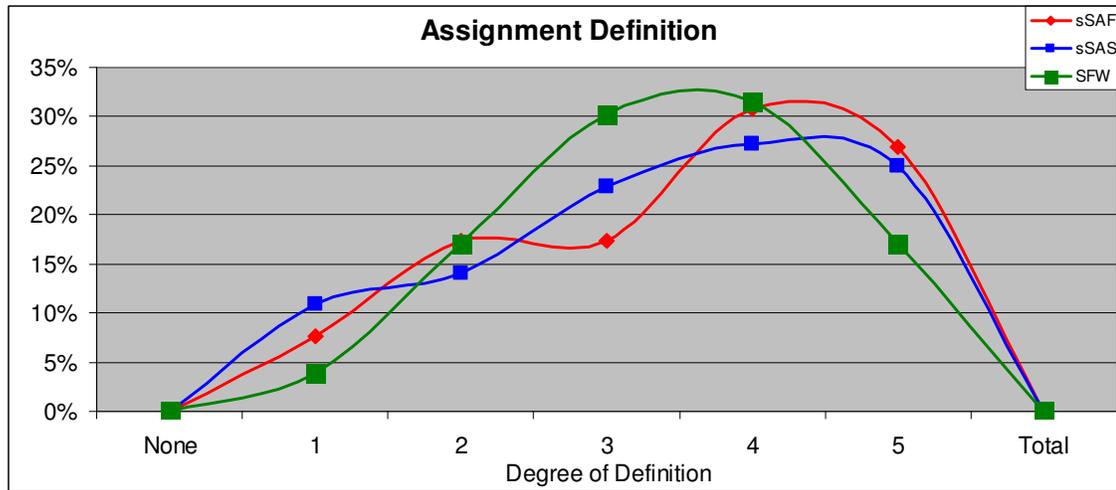
The results clearly show that management level has little bearing on failure rate, even though the senior group had a slightly lower rate than the middle management group. The results highlight the 50% of Expatriates who are on their first assignment. While it would be unfair to state that this is a cause of failure considering that this is the percentage for the total group, but the researcher feels that this could increase the risk of failure compared to Expatriates who have moved to a second or third assignment on the same management level that they are used to functioning in. It is therefore clear that expatriate management experience is the key driver and not overall management experience or management level.

5.12 Assignment Definition

Questions 15 through 18 dealt with elements of Assignment Definition with respect to job specification, technical and cultural aspects. A graph plotted with the combined results from these four questions for each of the sSAF, sSAS and SFW groups, show that the Assignment Definition for each of these groups was generally adequate and the majority of the respondents rated their Assignment Definition as a 3, 4 or 5 indicating that the assignment was well defined. There were also no apparent

differences between the degree of definition between any of these three groups as seen in the graph below.

Figure 5.21 – Assignment Definition



This result does not undermine the importance and need for a clearly defined job specification and assignment but rather that there was no evidence that this was the cause of failure in this particular sample of Expatriate managers. The t-test results support the graphical trends.

Table 5.13 – t-Test – Assignment Definition between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	3.519230769	3.413043478
Variance	1.627073906	1.695652174
Observations	52	92
Pooled Variance	1.671021951	
Hypothesized Mean Difference	0	
df	142	
t Stat	0.473473638	
P(T<=t) one-tail	0.318301196	
t Critical one-tail	1.655655173	
P(T<=t) two-tail	0.636602393	
t Critical two-tail	1.976810963	

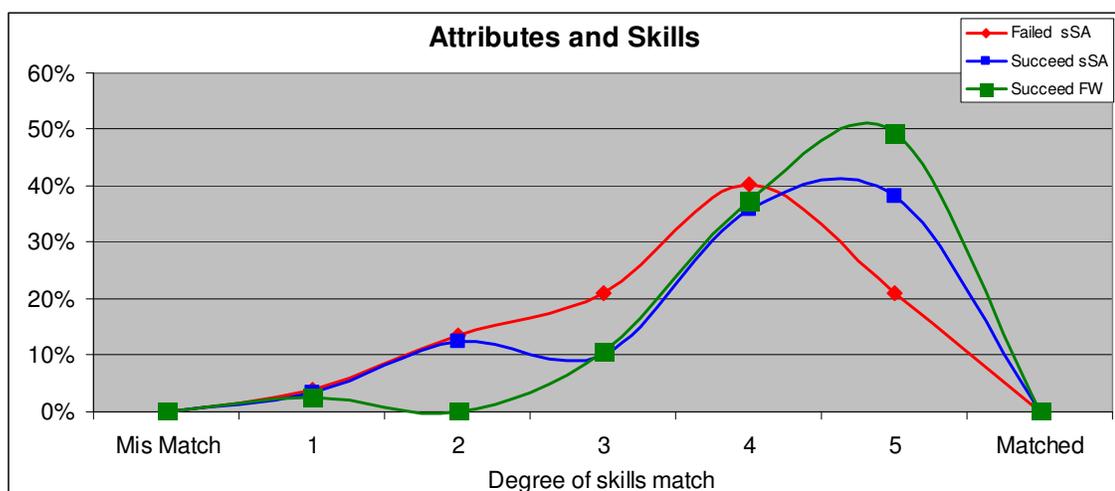
Table 5.14 – t-Test – Assignment Definition between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	3.519230769	3.407894737
Variance	1.627073906	1.178070175
Observations	52	76
Pooled Variance	1.359809781	
Hypothesized Mean Difference	0	
df	126	
t Stat	0.530518024	
P(T<=t) one-tail	0.298343296	
t Critical one-tail	1.657036982	
P(T<=t) two-tail	0.596686592	
t Critical two-tail	1.978970576	

5.13 Attributes and Skills

Examining the match of skills and attributes to the requirements of the Expatriate assignment shows evidence of a mismatch of skills within the sSAF group when compared to the sSAS and SFW groups. There is a definite shift in the sSAF graph to the left compared to the other curves. This analysis includes the combined results of Questions 19 through 23 that dealt with a match in technical, cultural and language skills as well as a willingness to interact with host country conditions. The graph is displayed below.

Figure 5.22 – Attributes and Skills



The t-Test results follow and show that there is a significant difference between the means for sSAF and SFW but not between the sSAF and sSAS groups even

although the p-value was only marginally out. The small peak to the left on the sSAS curve reduced the mean which prevented the difference between the sSAF and sSAS means from being significant. These tables follow.

Table 5.15 – t-Test – Attributes & Skills between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	3.615384615	3.93258427
Variance	1.182503771	1.290858018
Observations	52	89
Pooled Variance	1.251102143	
Hypothesized Mean Difference	0	
df	139	
t Stat	-1.624700971	
P(T<=t) one-tail	0.05324585	
t Critical one-tail	1.655889868	
P(T<=t) two-tail	0.106491699	
t Critical two-tail	1.977177694	

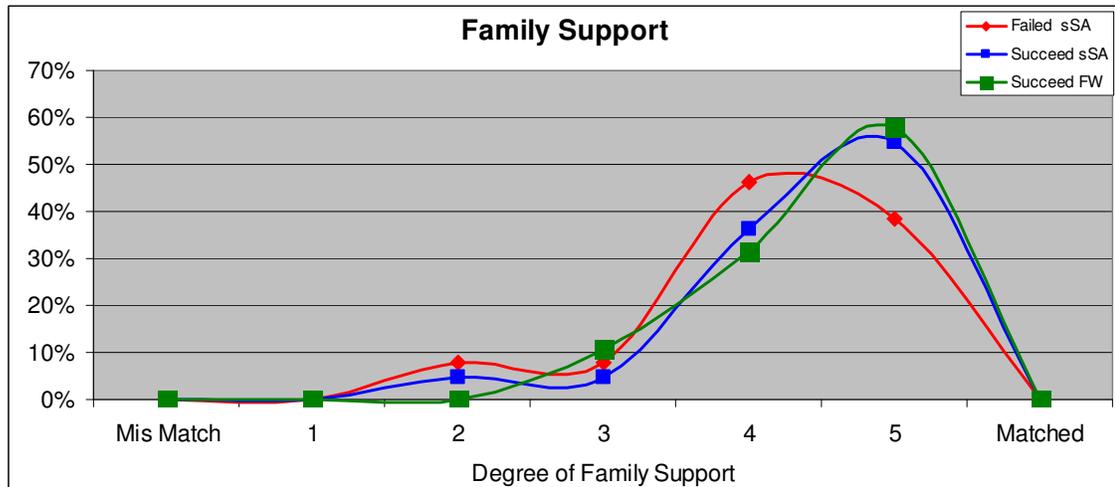
Table 5.16 – t-Test – Attributes & Skills between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	3.615384615	4.341463415
Variance	1.182503771	0.721469437
Observations	52	82
Pooled Variance	0.899596339	
Hypothesized Mean Difference	0	
df	132	
t Stat	-4.318332862	
P(T<=t) one-tail	1.53192E-05	
t Critical one-tail	1.65647927	
P(T<=t) two-tail	3.06384E-05	
t Critical two-tail	1.978098814	

5.14 Family Support

Family support as indicated in Question 23, shows that there is a shift to the left of the sSAF curve which suggests that Family Support is important and the lack of support contributed to the failure rate reported in this study for the sSAF group. The graph below shows that the support for the sSAF was not as strong as for the other two groups.

Figure 5.23 – Family Support



While the t-Test results for p-values do not support a significant difference between these means the graph once again suggests that there is a difference. The t-Test results are tabulated below.

Table 5.17 – t-Test – Family Support between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	4.153846154	4.409090909
Variance	0.807692308	0.634199134
Observations	13	22
Pooled Variance	0.697287561	
Hypothesized Mean Difference	0	
df	33	
t Stat	-0.873775498	
P(T<=t) one-tail	0.194277517	
t Critical one-tail	1.692360258	
P(T<=t) two-tail	0.388555034	
t Critical two-tail	2.034515287	

Table 5.18 – t-Test – Family Support between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	4.153846154	4.473684211
Variance	0.807692308	0.485380117
Observations	13	19
Pooled Variance	0.614304993	
Hypothesized Mean Difference	0	
df	30	
t Stat	-1.133735127	
P(T<=t) one-tail	0.132942294	
t Critical one-tail	1.697260851	
P(T<=t) two-tail	0.265884587	
t Critical two-tail	2.042272449	

5.15 Selection Process

The graph plotted using Questions 24 through 30 except for 26 gave a split result with there being two peaks for each of the sSAF, sSAS and SFW groups. This graph was difficult to analyze due to the shape which did not follow a normal distribution with a single peak. This could have been due to the fact that the questions examined a wide range of selection techniques such as technical skills, willingness to interact, past experience and psychometric analysis. However the outcome is clear in that all groups had respondents that felt the Selection Process was effective and those that felt it was ineffective. It was also noted that the sSAF group had a higher percentage of respondents that felt the process was ineffective compared to the other groups, highlighting the importance of an effective and holistic 360 degree Selection Process. The graph is displayed below in figure 5.24.

Figure 5.25 highlights the reason for the split in which the researcher highlights the various selection mechanisms used in the Selection Process of the sSAF group. It was clearly seen that companies still follow the traditional approach to selection as they continue to look predominantly at technical skills, past performance and experience, and to a small extent psychometric analysis, as the indicators of success. It has already been established in a former section that this sample's experience was dominantly based on home experience and so the selection was heavily reliant on technical skills.

The graph highlights that companies still neglect as selection criteria the willingness to interact with HCN and the learning of a new language as well as psychometric

analysis. Hence companies are leaving out the most important criteria for selection and potentially increasing the risk of failure.

Figure 5.24 – Selection Process

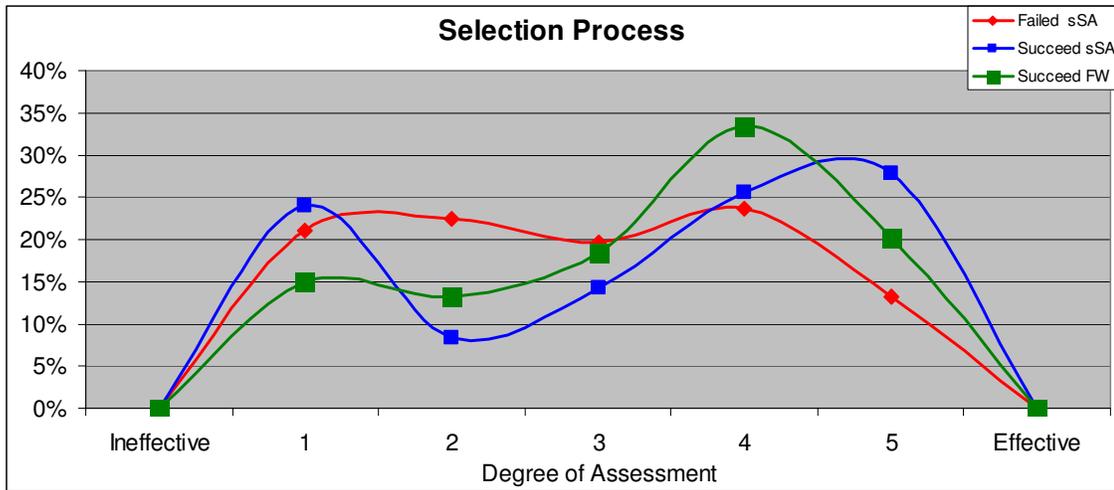
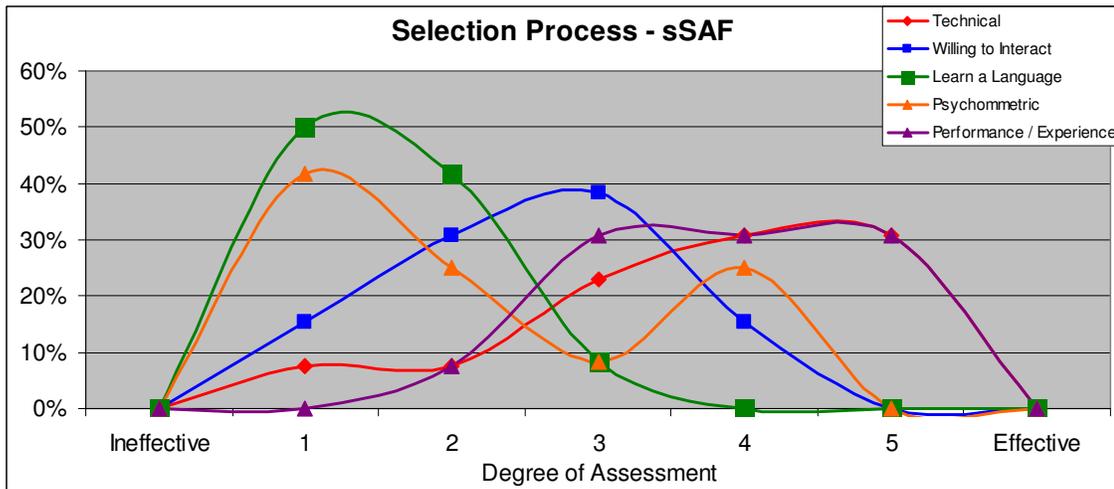


Figure 5.25 – Selection Process - sSAF



The t-test results do show, however, a significant difference in means between the group's data represented in Figure 5.24 above and are displayed below for reference. The researcher points out that the t-Test with this set of data is not totally compliant with the rules for the test but includes the result for consistency with respect to the other results in other sections.

Table 5.19 – t-Test – Selection Process between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	2.855263158	3.248120301
Variance	1.832105263	2.369788107
Observations	76	133
Pooled Variance	2.174975482	
Hypothesized Mean Difference	0	
df	207	
t Stat	-1.85253723	
P(T<=t) one-tail	0.03268617	
t Critical one-tail	1.652248086	
P(T<=t) two-tail	0.065372339	
t Critical two-tail	1.971490344	

Table 5.20 – t-Test – Selection Process between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	2.855263158	3.307017544
Variance	1.832105263	1.789861823
Observations	76	114
Pooled Variance	1.806714259	
Hypothesized Mean Difference	0	
df	188	
t Stat	-2.269551609	
P(T<=t) one-tail	0.012185047	
t Critical one-tail	1.652999113	
P(T<=t) two-tail	0.024370095	
t Critical two-tail	1.972662649	

The researcher felt the difference in results of the various selection criteria to be significant enough, as indicated in Figure 5.24, to further split the selection process up into the Technical Aspects which included Questions 24 and 30 that examined the technical skill and past performance and experience, and into the Cultural Aspects which included Questions 27 and 28 that examined the willingness to interact with HCN and learn a foreign language.

These graphs are presented in Figures 5.26 and 5.27 respectively below. The first lesson that stands out dramatically is that with the Technical Aspects the peaks for all three groups are left skewed with the peak far right indicating that the Technical Aspects of the group had been effectively tested within the Selection Process, while with the Cultural Aspects the result is more mixed but the curves are all right skewed with the peaks on the left of the neutral line indicating that the Cultural Aspects had not been effectively tested in the Selection Process.

Figure 5.26 – Selection Process – Technical Aspects

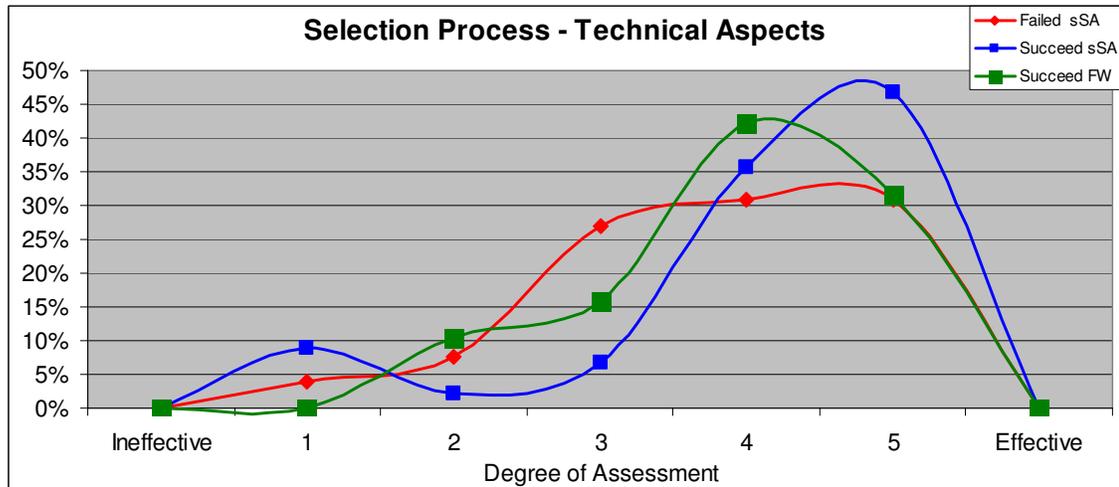
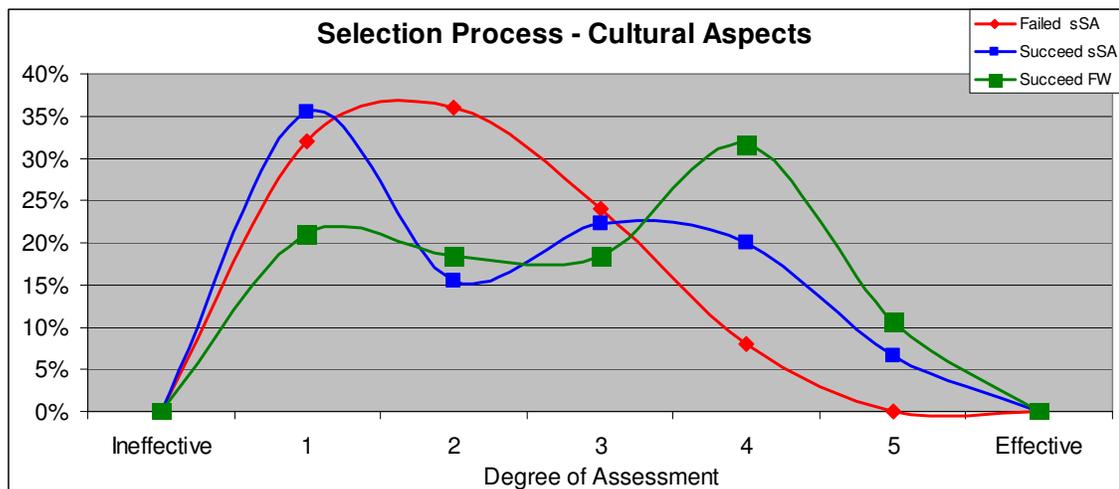


Figure 5.27 – Selection Process – Cultural Aspects



The t-Test shows that the difference in the means between the sSAF, sSAS and SFW groups for the Technical Aspects was not significant which indicates, as does the above graph, that the Technical Aspects of the sSAF group did not contribute to the failure rate. Since the t-Test and graphs of the overall selection process did show a significant difference, it implies then that the reasons for the difference lay with the Cultural Aspects.

The graph for the Cultural Aspects shows a part of the respondents in groups sSAS and SFW agree that these aspects were ineffectively tested and a part feels they were reasonably tested for, while the entire sSAF group showed that they felt these aspects had been ineffectively tested as seen by the shape of this curve in the graph.

The t-tests show that the differences in means of the sSAF and SFW groups were significant, while the sSAF and sSAS groups had no significant difference. All t-Test tables are found below.

Table 5.21 – t-Test – Technical Aspects between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	3.769230769	4.088888889
Variance	1.224615385	1.446464646
Observations	26	45
Pooled Variance	1.366084479	
Hypothesized Mean Difference	0	
df	69	
t Stat	-1.110224274	
P(T<=t) one-tail	0.135378259	
t Critical one-tail	1.667238549	
P(T<=t) two-tail	0.270756518	
t Critical two-tail	1.99494539	

Table 5.22 – t-Test – Technical Aspects between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	3.769230769	3.947368421
Variance	1.224615385	0.916073969
Observations	26	38
Pooled Variance	1.04048583	
Hypothesized Mean Difference	0	
df	62	
t Stat	-0.686161148	
P(T<=t) one-tail	0.24758479	
t Critical one-tail	1.669804163	
P(T<=t) two-tail	0.49516958	
t Critical two-tail	1.998971498	

Table 5.23 – t-Test – Cultural Aspects between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	2.08	2.466666667
Variance	0.91	1.8
Observations	25	45
Pooled Variance	1.485882353	
Hypothesized Mean Difference	0	
df	68	
t Stat	-1.271662203	
P(T<=t) one-tail	0.10391268	
t Critical one-tail	1.667572281	
P(T<=t) two-tail	0.20782536	
t Critical two-tail	1.995468907	

Table 5.24 – t-Test – Cultural Aspects between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	2.08	2.921052632
Variance	0.91	1.804409673
Observations	25	38
Pooled Variance	1.452510785	
Hypothesized Mean Difference	0	
df	61	
t Stat	-2.709910945	
P(T<=t) one-tail	0.004362989	
t Critical one-tail	1.670219484	
P(T<=t) two-tail	0.008725979	
t Critical two-tail	1.999623567	

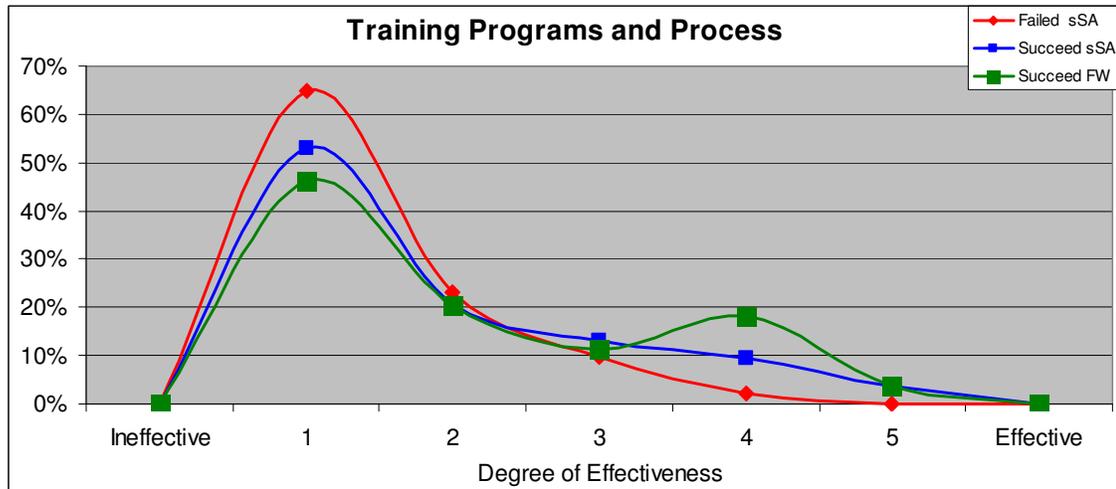
5.16 Expatriate Training Process

The next two sections are probably the most alarming findings of this analysis. The Degree of Training was measured by taking Questions 32 through 38 and combining them to understand as a whole the effectiveness of the training received before embarking on the assignment and to understand if there is a difference between the successful and failed groups.

The graph below shows that the number of respondents that received any training was very low which is a shocking finding and means that companies send their Expatriates out into foreign countries believing that they will either adapt or are themselves naive to the challenges that Expatriate managers face. They then must be wondering why they are then unsuccessful and probably then blame the Expatriate and side line them for yet another risky attempt, until they get it correct. It has to be said at this point that if you fail to plan (train) you plan to fail.

This graph includes training elements that cover a structured training program, whether it involved the entire family, host country conditions and environment, host country business and management practices and naturally cultural and language training.

Figure 5.28 – Training Programs and Process



Further to the fact that very little training is conducted in any group the t-Test results show a significant difference in the means of both the sSAF and sSAS groups and the sSAF and SFW groups. This is due to the small amount of sSAS and SFW respondents that received some training and the fact that an overwhelming number of the sSAF group fell on the Ineffective side of the neutral line. The tables are found below.

Table 5.25 – t-Test – Training Process between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	1.494505495	1.905660377
Variance	0.586080586	1.377119656
Observations	91	159
Pooled Variance	1.090049026	
Hypothesized Mean Difference	0	
df	248	
t Stat	-2.995930199	
P(T<=t) one-tail	0.001506743	
t Critical one-tail	1.651021014	
P(T<=t) two-tail	0.003013485	
t Critical two-tail	1.969575598	

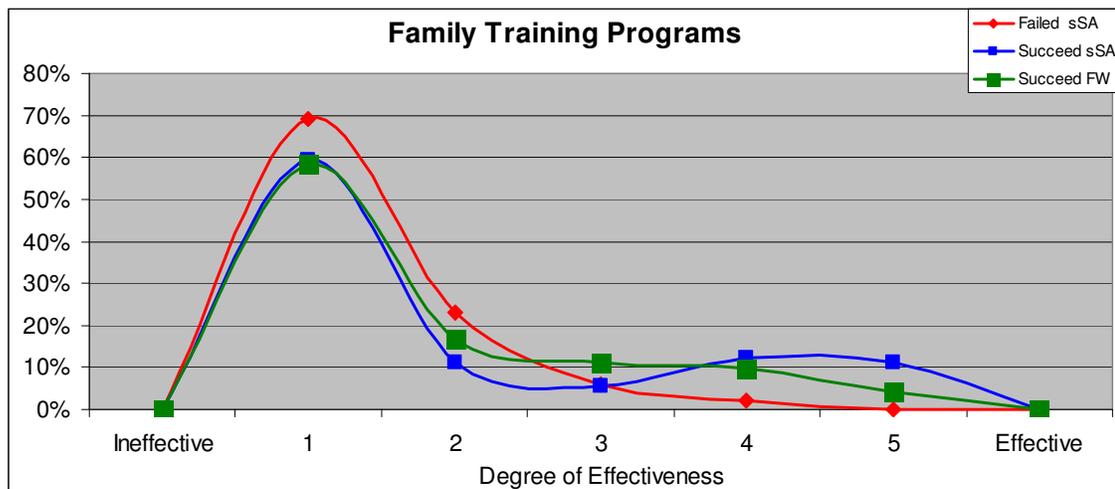
Table 5.26 – t-Test – Training Process between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	1.494505495	2.128787879
Variance	0.586080586	1.639775619
Observations	91	132
Pooled Variance	1.210669044	
Hypothesized Mean Difference	0	
df	221	
t Stat	-4.230825967	
P(T<=t) one-tail	1.70603E-05	
t Critical one-tail	1.65177768	
P(T<=t) two-tail	3.41207E-05	
t Critical two-tail	1.97075622	

5.17 Family Training Process

Given the lack of Expatriate Training, it would not be surprising that there is an equal lack of Family Training and involvement. This analysis includes Questions 33 and 39 through 41 following the same methodology above. The graph highlights the same lack of training involvement from the family perspective.

Figure 5.29 – Training Programs for Families



The t-Test results also show a significant difference in means between the tested groups and the results tabulated below. The Expatriate and Family may very well adjust to the technical aspects of the assignment but there is no planned intervention to ensure that the family is equipped to handle the cultural aspects of the assignment and new environment.

Table 5.27 – t-Test – Family Training between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	1.403846154	2.04494382
Variance	0.480769231	2.179775281
Observations	52	89
Pooled Variance	1.55639896	
Hypothesized Mean Difference	0	
df	139	
t Stat	-2.944088419	
P(T<=t) one-tail	0.001898839	
t Critical one-tail	1.655889868	
P(T<=t) two-tail	0.003797678	
t Critical two-tail	1.977177694	

Table 5.28 – t-Test – Family Training between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	1.403846154	1.847222222
Variance	0.480769231	1.455203443
Observations	52	72
Pooled Variance	1.047857994	
Hypothesized Mean Difference	0	
df	122	
t Stat	-2.380006319	
P(T<=t) one-tail	0.009430782	
t Critical one-tail	1.6574395	
P(T<=t) two-tail	0.018861564	
t Critical two-tail	1.979599854	

5.18 Pre-Departure Planning

The effectiveness of Pre-Departure Planning was measured by combining the answers to Questions 42 and 44 and plotting them as done with the above data. These results showed a diffused spread, but what was seen from the data was that the peaks are shifted to the left indicating that the little Pre-Departure Planning that took place was regarded as mostly ineffective. Also the t-Test results showed that the means between sSAF and sSAS groups were not significant and between sSAF and SFW were significant. One could argue that there were respondents that were found on the effective side from the sSAS and SFW groups but the peaks from these groups were, however, shifted far left, particularly with the sSAS group which is why there was no statistical evidence of a difference in means. The graph and t-Test tables are found below.

Figure 5.30 – Pre-Departure Planning

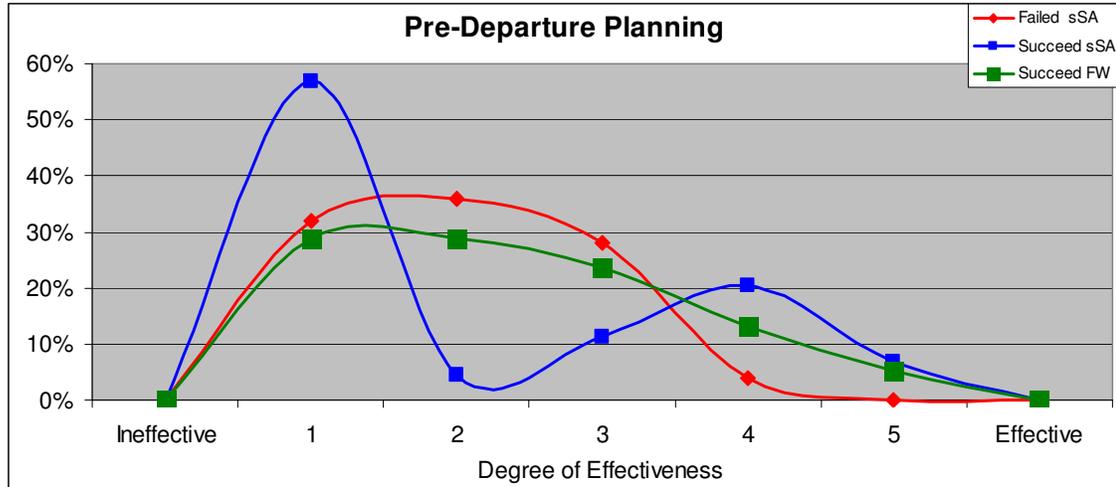


Table 5.29 – t-Test – Pre-Departure Training between sSAF and sSAS

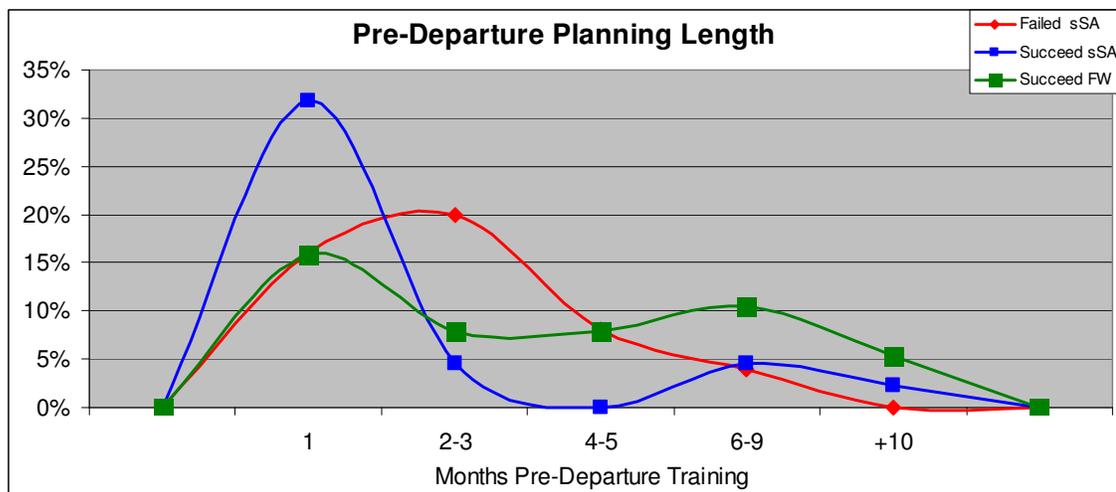
t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	2.027027027	2
Variance	0.804804805	2
Observations	37	63
Pooled Variance	1.560948704	
Hypothesized Mean Difference	0	
df	98	
t Stat	0.10444198	
P(T<=t) one-tail	0.458516032	
t Critical one-tail	1.660551218	
P(T<=t) two-tail	0.917032065	
t Critical two-tail	1.984467404	

Table 5.30 – t-Test – Pre-Departure Training between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	2.027027027	2.44642857
Variance	0.804804805	1.63344156
Observations	37	56
Pooled Variance	1.305629216	
Hypothesized Mean Difference	0	
df	91	
t Stat	-1.73250101	
P(T<=t) one-tail	0.043286148	
t Critical one-tail	1.661771156	
P(T<=t) two-tail	0.086572295	
t Critical two-tail	1.98637711	

We see a similar trend when we plot a graph of the length of the Pre-Departure Planning cycle. The majority of the sample had a planning period of up to three months with the average of the sSAS group being 2,3 months, the SFW group 2,4 months and the sSAF group the longest at 3,1 months. The length of time for the sSAF group does not make sense that it would be longer and the point is not so much the time difference between the groups but rather the fact that the time period is short for all three groups. Pre-Departure Planning cycles shorter than six months have to be questionable and the graph below highlights the fact that the majority of the respondents had planning cycles of less than 3 months.

Figure 5.31 – Pre-Departure Planning Cycle Length

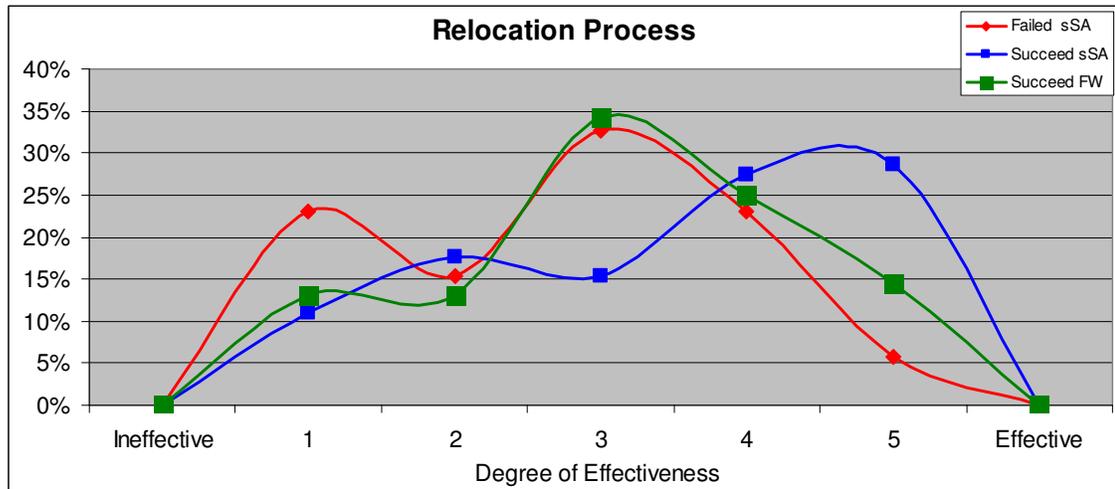


5.19 Relocation Process

This section examined the effectiveness of the Relocation Process and surveyed for the extent to which the Expatriate and family was assisted with finding new accommodation and schools, assistance with settling into the new environment and the provision of a host country mentor.

Questions 45 through 48 were combined to test this aspect of an Expatriate assignment. The sSAS group reported a high level of support and effectiveness with a shift in the peak to the right, and mean of 3,5, while the SFW group showed a more neutral response with the mean at 3,1. The sSAF group had a fairly neutral peak but also showed a peak which was far to the left indicating a degree of ineffective relocation planning and support processes, and a mean of 2.7. The graph is shown below.

Figure 5.32 – Relocation Process



The t-Tests indicated a significant difference between the means of these three groups indicating that there is a statistically acceptable difference between the sSAF group and the sSAS and SFW groups highlighting the importance of a successful relocation in the overall success of the Expatriate assignment. These results are tabled below and indicate the importance of getting off to a good start with an Expatriate assignment.

Table 5.31 – t-Test – Relocation Process between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	2.730769231	3.450549451
Variance	1.494720965	1.85030525
Observations	52	91
Pooled Variance	1.721689658	
Hypothesized Mean Difference	0	
df	141	
t Stat	-3.155562756	
P(T<=t) one-tail	0.000979358	
t Critical one-tail	1.655732288	
P(T<=t) two-tail	0.001958715	
t Critical two-tail	1.976931458	

Table 5.32 – t-Test – Relocation Process between sSAF and SFW

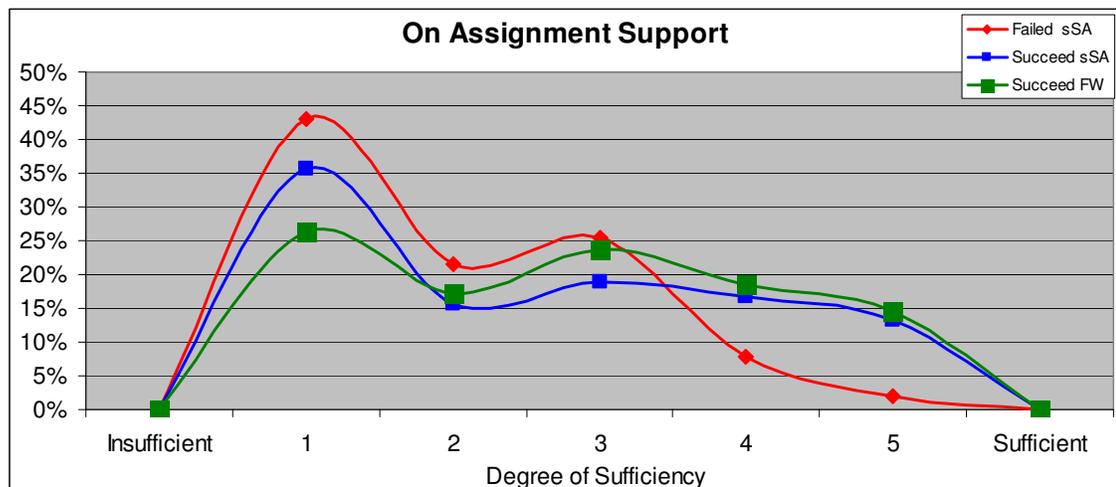
t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	2.730769231	3.144736842
Variance	1.494720965	1.485438596
Observations	52	76
Pooled Variance	1.489195746	
Hypothesized Mean Difference	0	
df	126	
t Stat	-1.884924473	
P(T<=t) one-tail	0.030871673	
t Critical one-tail	1.657036982	
P(T<=t) two-tail	0.061743347	
t Critical two-tail	1.978970576	

5.20 Assignment Support

Equally important to getting off to a good start with an effective relocation is the continued support while on assignment. This section examines the support provided once the Expatriate had been on assignment for 6 months and included performance management feedback, support with cultural and country difficulties and the overall support from management from both the home and host country.

Here Questions 49 through 52 were combined to analyze the overall impact of this support on the success of the groups. All three groups show a high level of ineffective or insufficient amount of support, but when examining the tail skewed to the right, one finds that there were more respondents who felt that the support was sufficient and effective. This is seen in the graph below.

Figure 5.33 – On Assignment Support



The respondents in the sSAS and SFW groups who reported sufficient support and the lack of respondents from the sSAF who reported the same, has caused the difference in means to be significant between the sSAF group and the sSAS and SFW groups. This re-enforces the need for continuous support of Expatriates while on assignment as tabled below in the t-Test results.

Table 5.33 – t-Test – On Assignment Support between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	2.039215686	2.566666667
Variance	1.198431373	2.113483146
Observations	51	90
Pooled Variance	1.784327832	
Hypothesized Mean Difference	0	
df	139	
t Stat	-2.252898187	
P(T<=t) one-tail	0.012915963	
t Critical one-tail	1.655889868	
P(T<=t) two-tail	0.025831927	
t Critical two-tail	1.977177694	

Table 5.34 – t-Test – On Assignment Support between sSAF and SFW

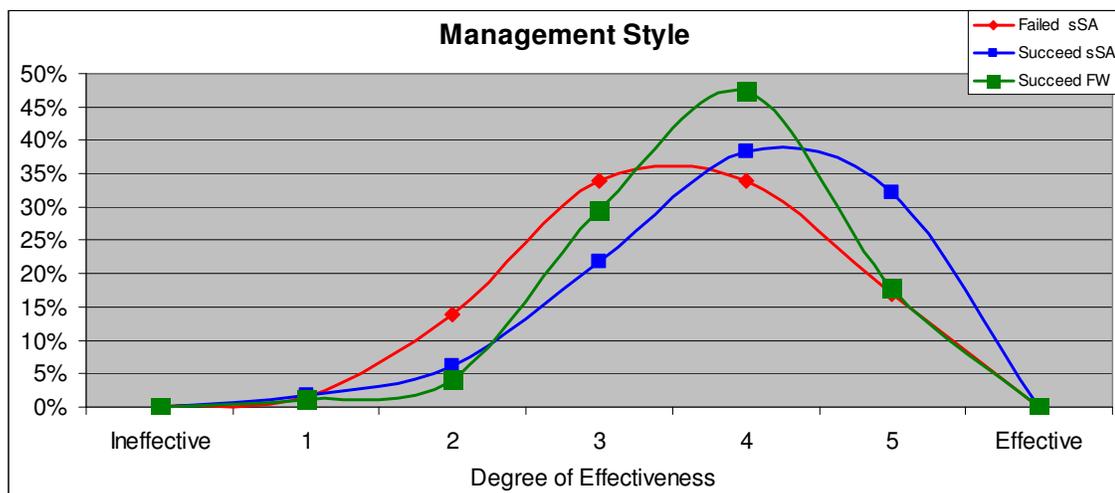
t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	2.039215686	2.776315789
Variance	1.198431373	1.962631579
Observations	51	76
Pooled Variance	1.656951496	
Hypothesized Mean Difference	0	
df	125	
t Stat	-3.16345454	
P(T<=t) one-tail	0.000978818	
t Critical one-tail	1.657135179	
P(T<=t) two-tail	0.001957636	
t Critical two-tail	1.979124084	

5.21 Management Style

The Management Style construct is a very complex subject and was measured using Questions 53 through 59 excluding 57 and 58. This analysis examined the Expatriates ability to manage constraints, be adaptable between home country policy and host country conditions, decision making style, consideration to all stakeholders and their multi-cultural adaptability.

The above results were first combined to measure the overall impact of the Management Style and the graph that follows was plotted showing the interesting shift in peaks between the three groups. It is interesting to note that the sSAF group has a peak to the left of the other two groups indicating that they were the least effective in their management style and that the sSAS group was the peak that was to the right of the other two indicating, perhaps, that their style was different to the SFW and sSAF groups. This graph shows a positive shift in the sSAS groups Management Style and a negative shift in the sSAF group.

Figure 5.34 – Management Style



The t-Test statistics show that the shift in peaks are significant enough to make the point that the styles, on average, were in fact different as shown in the tables below.

Table 5.35 – t-Test – Management Style between sSAF and sSAS

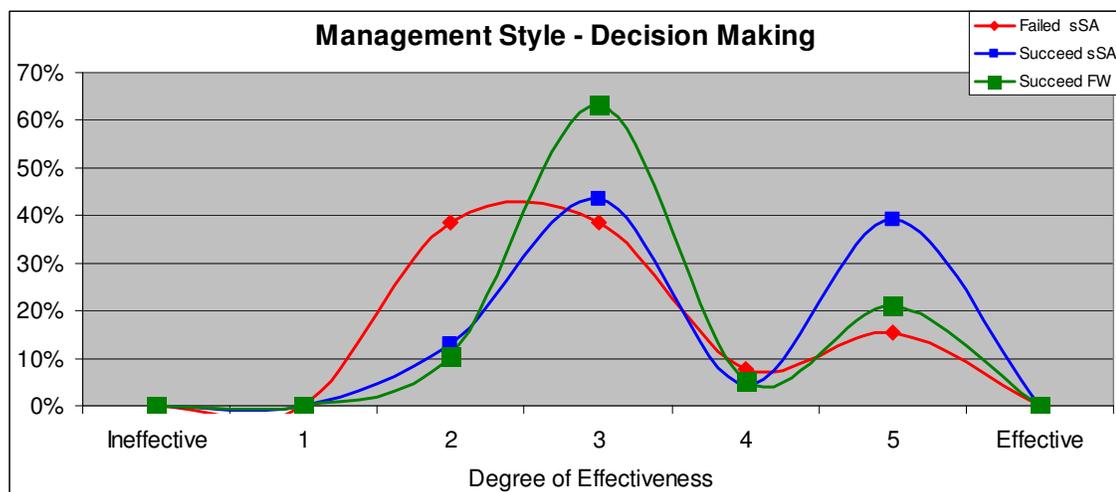
t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	3.507692308	3.930434783
Variance	0.972596154	0.942486651
Observations	65	115
Pooled Variance	0.95331254	
Hypothesized Mean Difference	0	
df	178	
t Stat	-2.790150173	
P(T<=t) one-tail	0.002921317	
t Critical one-tail	1.653459127	
P(T<=t) two-tail	0.005842633	
t Critical two-tail	1.973380848	

Table 5.36 – t-Test – Management Style between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	3.507692308	3.768421053
Variance	0.972596154	0.690481523
Observations	65	95
Pooled Variance	0.804755804	
Hypothesized Mean Difference	0	
df	158	
t Stat	-1.805574219	
P(T<=t) one-tail	0.036444279	
t Critical one-tail	1.654554876	
P(T<=t) two-tail	0.072888558	
t Critical two-tail	1.975092037	

It is important to dissect this construct into the various aspects surveyed to better understand the drivers of this result. The interesting finding was that two aspects stood out as key drivers. One of them was the Decision Making process in which the sSAF group was more content with only considering the company impact and ignored the host national's view or failed to make a balanced decision. The following graph shows that there was a percentage from all groups that make effective decisions as seen by the small peaks to the right, but the peaks to the left show the ineffective decision making that contributed to the failure of the sSAF group.

Figure 5.35 – Management Style – Decision Making



The t-Test showed the significance of the difference between the sSAF and sSAS groups while the SFW group showed no significant difference from the sSAF mean as shown below.

Table 5.37 – t-Test – Decision Making Style between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	3	3.695652174
Variance	1.166666667	1.312252964
Observations	13	23
Pooled Variance	1.260869565	
Hypothesized Mean Difference	0	
df	34	
t Stat	-1.785424169	
P(T<=t) one-tail	0.041558021	
t Critical one-tail	1.690924198	
P(T<=t) two-tail	0.083116041	
t Critical two-tail	2.032244498	

Table 5.38 – t-Test – Decision Making Style between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	3	3.368421053
Variance	1.166666667	0.912280702
Observations	13	19
Pooled Variance	1.014035088	
Hypothesized Mean Difference	0	
df	30	
t Stat	-1.016462674	
P(T<=t) one-tail	0.158768539	
t Critical one-tail	1.697260851	
P(T<=t) two-tail	0.317537077	
t Critical two-tail	2.042272449	

The other main driver for the difference in the Management Style results was the consideration for all stakeholders in the assignment environment as can be seen from the graph below.

There is a distinct difference in the averages of these peaks with the sSAF group's peak having an average of 3,4 and whose peak is shifted to the left of the other two groups indicating that the consideration of all stakeholders was not always considered. The sSAS group's peak is found to the right of the other two groups with an mean of 4,1 indicating that this group showed the most consideration for all stakeholders and as a result added to the success of this group's assignments.

It is therefore found that the consideration of all stakeholders in the decision making process improves the chances of a successful Expatriate assignment.

Figure 5.36 – Management Style – Stakeholders

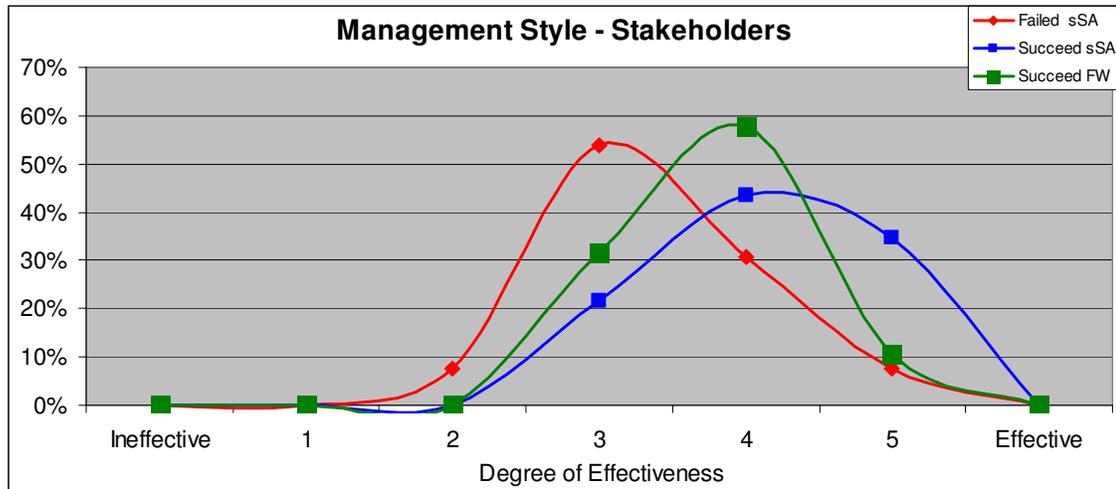


Table 5.39 – t-Test – Stakeholder Style between sSAF and sSAS

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	sSAS
Mean	3.384615385	4.130434783
Variance	0.58974359	0.57312253
Observations	13	23
Pooled Variance	0.578988786	
Hypothesized Mean Difference	0	
df	34	
t Stat	-2.824769025	
P(T<=t) one-tail	0.003930234	
t Critical one-tail	1.690924198	
P(T<=t) two-tail	0.007860467	
t Critical two-tail	2.032244498	

Table 5.40 – t-Test – Stakeholder Style between sSAF and SFW

t-Test: Two-Sample Assuming Equal Variances		
	sSAF	SFW
Mean	3.384615385	3.789473684
Variance	0.58974359	0.397660819
Observations	13	19
Pooled Variance	0.474493927	
Hypothesized Mean Difference	0	
df	30	
t Stat	-1.632906076	
P(T<=t) one-tail	0.056471129	
t Critical one-tail	1.697260851	
P(T<=t) two-tail	0.112942259	
t Critical two-tail	2.042272449	

While there was no statistical significance between the differences of the various groups with respect to Cultural Adaptability, Adaptability towards local conditions and the management of constraints, there was a slight shift in the graphs for the sSAF group compared to the sSAS and SFW groups indicating that these elements are also important. The graphs for these dimensions measured are found below.

Figure 5.37 – Management Style – Cultural Adaptability

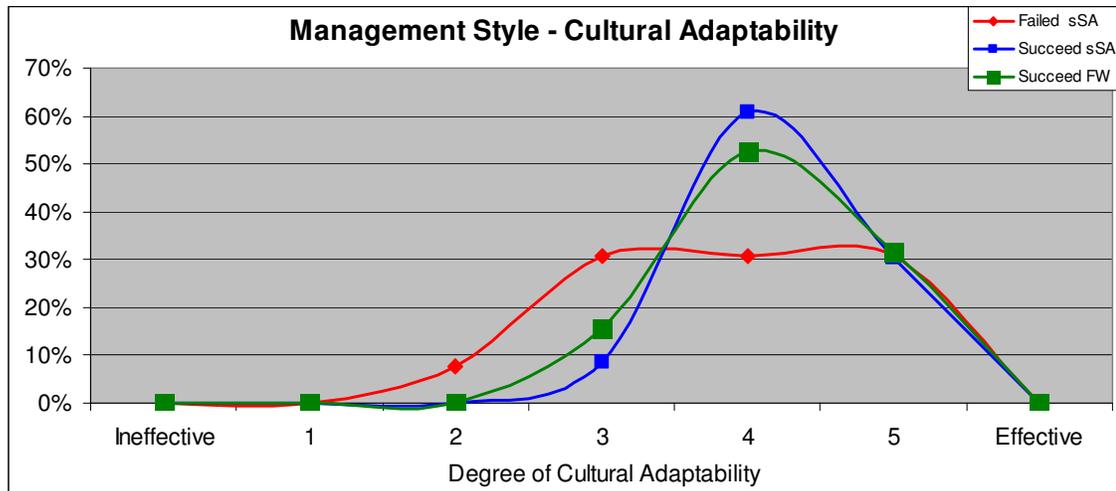


Figure 5.38 – Management Style – Constraints

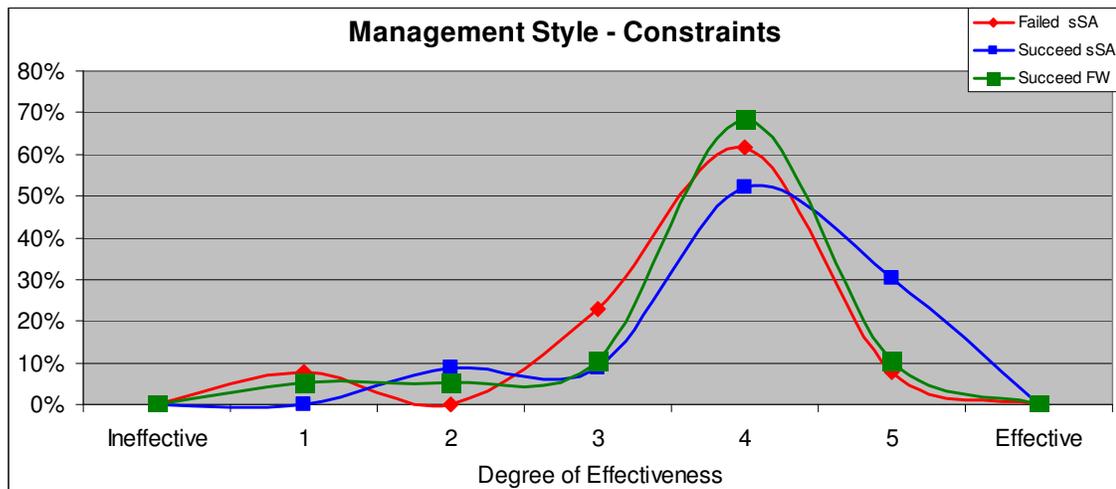
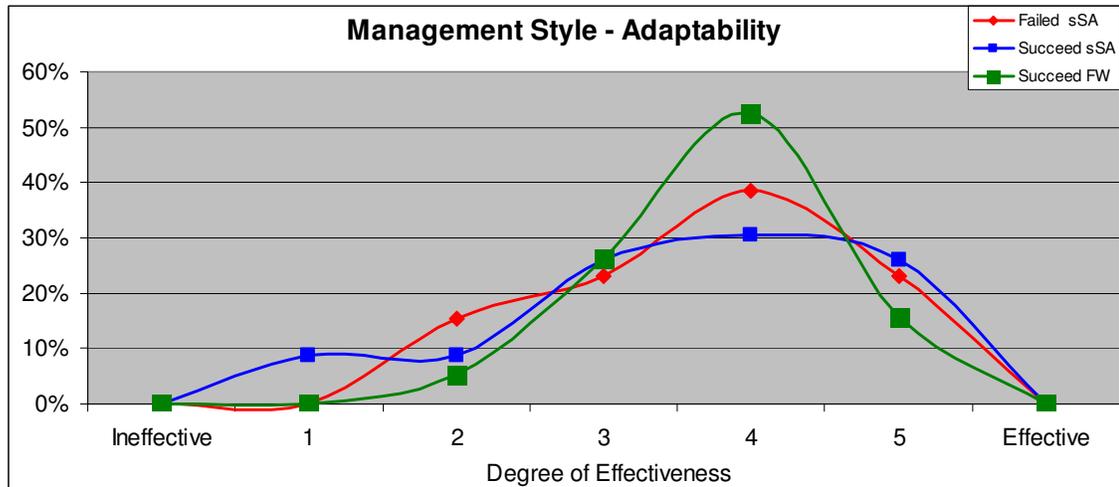


Figure 5.39 – Management Style – Local Adaptability



5.22 Results Summary

There is potentially a lot more analysis that could be done with the data obtained from the surveys, but as a result of the small sample size and exploratory nature of this research report, the researcher will not analyze the data in any more detail. The results obtained from the analysis done thus far are quite comprehensive and are summarized below.

The failure rate of assignments in sub-Saharan Africa was found to be 36% versus that of First world countries of 5%, and the overall failure rate of all South African Expatriates was recorded as 22%.

The main challenges found in previous studies were all present in the sample analyzed with the largest difference between sub-Saharan Africa and the rest of the world sample was sSA's inability to handle the larger foreign assignment, and the rest of the world sample reported a higher level of unspecified reasons other than the main challenges expected. This same trend was seen when reviewing the failed versus the successful groups of the sample.

The sSAF and sSAS groups found culture to be a significant challenge while the SFW group reported it as having a negligible impact on the outcome of the assignment. The sSAF group reported the positioning of culture as a more significant challenge than the sSAS group when compared to the other main challenges experienced. There was evidence that the sSAF group was less adaptable to other

cultures although the difference was not statistically significant. There was statistical significance when it came to own culture awareness of the sSAF group compared to the other two groups. Also the sSAF group appeared less willing to interact with the host nationals or learn a foreign language.

There was strong evidence that those that failed their assignments either sat out their contracts or returned home prematurely during the cultural shock or adjustment phase of the assignment life cycle.

Management experience from the point of home experience had no influence over the success of the assignment, but those who were on their first assignment have a 4 times higher failure rate meaning that Expatriate experience rather than general management experience is important. Almost half of the respondents received a promotion along with their assignment and although there is no increase in failure compared to those who did not receive a promotion, it is felt that along with experience this is a key factor for success.

There was found to be a significant difference between the means of the sSAF and sSAS samples with the Selection Process, Expatriate and Family Training Processes, Relocation Process, On-Assignment Support and Management Style with the two key drivers with Management Style being the Decision Making Process and Consideration of All Stakeholders.

There was a noticeable trend in the graphs to suggest that there was a difference between the shape of the curves, and potentially between the sSAF and sSAS groups, with Attributes and Skills, Family Support, the Technical and Cultural Selection Processes, Pre-Departure Planning and Cultural Adaptability. There was no statistical evidence or trend in the graph to suggest that Assignment Definition, or the lack thereof, contributed to the failure of the sSAF group.

CHAPTER 6

DISCUSSION, CONCLUSION and RECOMMENDATIONS

6.1 Discussion

6.1.1 Proposition 1

Proposition Statement 1: There is a difference between the success rates of South African expatriate managers who have worked in sub-Saharan African countries compared to First World countries.

This proposition was found to be true, in this study, with the failure rate of South African Expatriate Managers who worked in sub-Saharan African countries being 36% while those who worked in First World countries being only 5%. This means that those who work in sub-Saharan Africa have a 7 times greater chance of failure. The overall failure rate for the entire South African sample was 22%. This 22% fits within the failure rate range as presented by Tung (1982) as between 11% and 40%. If we consider South Africans to be multicultural and adaptable, and draw the parallels that Jackson (2004) draws between Africa and Europe, then we could relate this to Tung's (1982) failure rate of her European sample which was between 11% and 15%. This fit adds credibility to the findings of this study.

This failure rate of 22%, while it is found to be in line with Tung's (1982) study, it appears to contradict the work done by Muller (1993) in which he found the South African failure rate to be as low as 1,8%. When examining the country split of his sample it was found to have a similar split of sSA and FW countries to this study, but it should be noted that the two studies data collection and angle of approach were different.

The focus of this study was to concentrate on the success or failure rates of Expatriates who work in sub-Sahara Africa and compare them to First World countries as a standard. The failure rate of the First World country group was low at 5% which indicates that South African Managers can hold their own on the international business front, and so this study agrees, from that perspective, with the view of Muller (1993) that South African Managers are multi-culturally adaptable and able to handle the often vast changes between home and host country conditions.

The conditions in sub-Saharan African countries, as pointed out by Huynh, Johansson and Tran (2007), are considered the most difficult and so it is expected that any group working in these countries would have a higher failure rate and battle more with the greater cultural distance and environmental challenges facing them compared to those working in western countries. Hence the 7 times higher failure rate is understandable and does not undermine the South African manager's ability to function in the international business environment.

What it does mean is that companies that send their expatriate managers into sub-Saharan African countries must pay more attention to the challenges they will face and not take for granted their chances of success. Jackson (2004) points out that countries doing business in Africa cannot expect to succeed if they blindly adopt the western business models and expect the host countries to fall in line with what does not suit their local cultures and conditions.

6.1.2 Proposition 2

Proposition Statement 2: The major reasons given in the literature for the failure of expatriate managers will be dominant in the reasons found for South African expatriate managers.

Tung's (1982) work shows that the major reasons given in literature for the failure of expatriate managers are for USA Multinationals the inability of the spouse to adjust to the new environment, the expatriate's own inability to adjust, other family problems, the expatriate's personal or emotional maturity and the inability to cope with the larger overseas responsibility. This list compares to a similar list for Japanese Multinationals whose top five reasons for failure are the inability to cope with the larger overseas responsibility, difficulties with their new environment, personal or emotional problems, lack of technical competences and the spouse's inability to adjust to the new environment.

Hurn (2007) stated that cultural shock and the inability to adapt accordingly was a major contributor to the failure. Schell and Solomon (1997) quoted reasons such as the spouse's career concerns, assignment location, family issues, concern for the children, limited career opportunities and insufficient compensation as reasons for failure.

When looking at the sub-Saharan African group the top five reasons quoted were:

Table 6.1 – Top Five Challenges of the sSA Group

1	Inability to cope with the larger assignment
2	Expatriate adjustment issues
3	Inability of the spouse to adjust
4	Lack of technical competence
5	Family problems

The First World group gave a very different set of top five reasons as can be seen from the table below:

Table 6.2 – Top Five Challenges of the FW Group

1	Inability of the spouse to adjust
2	Family problems
3	Personal / Emotional problems
4	Other: Unspecified
5	Expatriate adjustment / Technical skill issues

The interesting aspect was the differences between these two sets of findings with the most dominant reason for failure amongst the sSA group being the inability to cope with the larger assignment and this was found to be the smallest reason for the FW group. The other biggest difference, and of particular interest, was that 16% of the FW group reported issues other than those in literature as reasons for failure, but did not specify their reason while this was low for the sSA group. Other differences found were with Family and personal problems.

When looking at the sub Saharan African group and splitting them into successful and failed assignments, we find the same differences as listed above with the larger assignment as the single biggest reason why this group had such a high failure rate.

When looking specifically at the group that failed, these top five reasons, or challenges, become the all important list to review. These are the dominant reasons that caused their failure, and hence need to be addressed in the future with any training and planning programs. These are tabled below.

Table 6.3 – Top Five Challenges of the Failed Group

1	Inability to cope with the larger assignment
2	Expatriate adjustment issues
3	Inability of the spouse to adjust
4	Family problems
5	Lack of technical competence

Culture was shown amongst the reasons but these were respondents that selected the other option and specified culture as a key reason. It must be noted that cultural aspects and differences are inter-twined into the above challenges and by inference from the section that follows, is the very essence of the challenges that cause adjustment and personal or family problems with the assignments.

One of the key issues that will be discussed in the section on management level is the fact that 50% of the respondents received a promotion when accepting the expatriate assignment. While the ratio stayed the same in the failed sample, by inference, the researcher suggests that this is why the major reason for failure or the major challenge faced was the inability to cope with the larger foreign assignment.

The above findings support the proposition that the major reasons in literature will be the dominant reasons for failure or challenges faced in the sample studied.

6.1.3 Proposition 3

Proposition Statement 3: Cultural differences will appear as one of the major reasons for failure of South African expatriate managers in sub-Saharan African countries.

The literature is full of research that promotes culture as perhaps the single biggest challenge that will be faced when entering a foreign country. Waxin and Panaccio (2005) spoke of cultural distance and defined this as the gap in cultural norms between the home and host country and the more pronounced the differences the larger the cultural distance.

Jackson (2004) highlights the complexity of the sSA cultural environment. Huynh, Johansson and Tran (2007) speak of cultural toughness and have shown Africa to be the toughest region globally for cultural difficulties.

This study shows that both the sSAF and sSAS groups acknowledged the impact that culture and the host country environment played in the challenges faced and that cultural distance was a significant difficulty. There was a significant difference between the means of these two groups compared to the SFW group which highlights that Africa requires a high degree of cultural toughness to manage and is significantly more difficult than western countries whose culture is closer to the predominantly white sample surveyed. The fact that there was no significance in the difference between the means of the sSAF and sSAS groups also showed that whether the expatriate was successful or not, the cultural distance was a key challenge that had to be mastered.

This, however, did not mean that there was no difference between the sSAF and sSAS groups. When the groups were given the task to rank the cultural challenge against the list of challenges in literature, a distinct shift emerged between the results of the two sSAF and sSAS groups. The sSAS group placed culture between second, third and sixth on the list and the sSAF group placed it mostly first followed by fourth. Hence the sSAF group placed culture higher up the list of challenges than did the sSAS group, indicating that the sSAF group found culture a bigger challenge than the sSAS group and a contributor to the failure of their assignments.

This proves the proposition on cultural differences to be true as it shows that the sSAF group found cultural differences more of a challenge than did the sSAS group, and both these groups found it a greater challenge compared to the SFW group. However, this is a vast subject on its own and this discussion would not be complete unless we review the trends in cultural adaptability and own culture awareness.

Several studies have shown, as did Avril and Magnini (2007) that cultural adaptation is a key trait to possess and is essential to the success of an expatriate assignment. This study did not show this to be statistically significant as all three groups has a relatively high level of adaptability, but there was no doubt a percentage shift of the sSAF group away from the adaptable, and towards the un-adaptable, side of the

continuum indicating that to some extent this group was less adaptable and this could have contributed to some of the failures experienced.

There was a more distinct shift of the sSAF group away from cultural self awareness or own culture awareness when compared to the sSAS and SFW groups and this difference in means between the sSAF and sSAS groups was statistically significant, proving that the sSAF group was less aware of their own cultural standing and views and hence were less aware of cultural differences which would have made them insensitive to cultural distance. This study clearly shows that cultural self awareness is a key element when it comes to the selection and in this study resulted in a material difference between the sSAF and sSAS groups success rates. This finding supports the argument by Varner and Palmer (2005) that put cultural self-knowledge as a critical variable in adapting to other cultures.

Another indicator highlighted by this study was the Expatriates' willingness to learn and interact with the foreign culture and here once again the sSAF group showed a lack of willingness to interact and to learn the foreign language. Wong Rieger and Rieger (2002) proposed that candidates be assessed for their willingness to interact with host nationals and learn a foreign language as part of their relational risk assessment. Graf (2004) points out that openness is an important cultural competence to have to be accepted by the host nationals and that having the ability to speak the foreign language is advantageous and allows the expatriate to communicate better. Hurn (2007) points out that not every country regards English as the international language, and in fact, not every country is prepared to conduct business in English, so learning or being able to speak the foreign language may be vital to the expatriates success.

6.1.4 Proposition 4

Proposition Statement 4: The majority of expatriate managers who are unsuccessful fall out during the cultural shock or early in the adjustment stages of the life cycle.

The graph obtained between the sSAF and sSAS groups when plotted over the time spent out on assignment shows that the average contract length was between 3 to 5 years for the sSAS group and when compared to the sSAF group the graph yielded

two distinct peaks, the lesser peak at the same 3 to 5 year period and the major peak at less than 2 years. For the sSAF group this shows the group (3 to 5 years) that sat out the assignment, but were ineffective in completing the task, and the group (less than 2 years) that prematurely returned home without completing the assigned task. The data did not differentiate at what time period less than 2 years these expatriates returned home, but when we examine this graph along with the above cultural graphs, it is logical to assume that many of these premature returns happened either during the cultural shock or adjustment stages of the assignment life cycle.

Thomas (2002) spoke of a four stage life cycle during which the second and third phases were the cultural shock phase in which the expatriate and family start becoming frustrated by the new environmental conditions and the host country cultural differences, and the adjustment phase during which they start to accept and adjust to the new culture and start learning how to get things done.

Schell and Solomon (1997) speak of a similar four stage process where the fourth stage is the cultural shock phase and propose that this stage occurs six to twelve months into the assignment and depends on the adaptability of the person as to how long it lasts and how they get through this phase. We have already seen from the cultural adaptability results of this study that the sSAF group was less adaptable and hence this will result in them entering this phase later than normal and prolonging the period of this phase.

The researcher, therefore, proposes that this study has supported the fourth proposition and that the sSAF group predominantly fell out during the cultural shock or early in the adjustment phase of the assignment life cycle.

6.1.5 Hypothesis 1

Hypothesis Statement 1: H_O: A clearly defined job specification and outline of assignment requirements does not increase the success rate.

H_A: A clearly defined job specification and outline of assignment requirements increases the success rate.

The comparison between the three groups, namely the sSAF, sSAS and the SFW groups, shows that in all three cases the level of assignment definition was adequate.

Sure there was room for improvement, but all groups indicated that, in general, they understood the requirements of their assignment. There was no apparent difference in trends from the graph and the means were all similar.

The p-values from the t-Test comparisons also show that there is no significant difference between them and so the null hypothesis cannot be rejected and it is seen that there is no difference between the definition of the assignments for the sSAF group compared to the sSAS and SFW groups.

This result does not undermine the importance for the job specification to be well defined, but rather is evidence that companies out there understand this and ensure that the assignments are well defined as highlighted by Muller (1993) and the body of knowledge.

6.1.6 Hypothesis 2

Hypothesis Statement 2: H_0 : The appointment of an expatriate manager with the correct attributes and skills does not increase the success rate.

H_A : The appointment of an expatriate manager with the correct attributes and skills increases the success rate.

Statistically the null hypotheses cannot be rejected when the sSAF and sSAS groups are compared to each other even though there is a definite shift of the sSAF group towards the side of mismatched attributes and skills and the mean of the sSAF group was 3,6 compared to the mean of 3,9 for the sSAS group. The p-value was 0,053 which is very marginal and almost leads to a rejection of the null hypothesis at a 95% confidence level. When one examines the curve of the sSAS group, it is seen that there are a small number of respondents that had a high mismatch of attributes and skills which led to the reduction of the mean of the sSAS group and hence resulted in the null hypothesis from not being rejected compared to the sSAF group.

However, when the comparison of the sSAF group is done against the SFW group which does not have the small degree of mismatch, the differences between the means is found to be significant with a p-value of 1,5E-05, hence resulting in the null hypothesis being rejected and there being a significant difference between these samples.

Hence given the fact that the null hypothesis was rejected for the sSAF and SFW groups, marginal for the sSAF and sSAS groups, and the fact that the graph clearly indicates that there is a shift towards the mismatched end away from the sSAS and SFW peaks on the matched end, it is fair to infer that the appointment of an expatriate manager with the correct attributes and skills has a positive impact on the outcome of an assignment.

The body of knowledge and the included literature review cover the specifics of the attributes and skills required for a successful assignment and to avoid repeating the content of the literature review, and more importantly the fact that the specific attributes and skills required may vary from assignment to assignment, the researcher will not go into detail on the attributes and skills required. Suffice it to say that the general view of both technical and cultural skill was surveyed.

It is, however, fair to assume that the basic attributes and skills will remain the same such as cultural adaptability, own culture awareness and willingness to learn and interact in a foreign culture which have all been tested and the negative trend of the sSAF group highlighted. Adding to these important trends are those from literature such as cultural toughness (Huynh, Johansson & Tran, 2007), emotional intelligence (Avril and Magnini, 2007), cultural intelligence (Thomas and Inkson, 2005) and of course the technical skills to do the job, to mention but a few.

The one attribute that does deserve to be singled out and comes out of the literature as a common theme is the support of the expatriate's family while on assignment and preferably relocation with the expatriate. The sample showed only one respondent that had a problem with family support, and whose family did not relocate with him. This expatriate was reported amongst the sSAF group as a failed assignment, but no direct correlation drawn as to the reason for his failure.

Generally the support was reported as sufficient from all groups and the statistical analysis showed no significant difference in the means of the groups. The graph, however, did show a shift towards the mismatched support for the sSAF group which highlights the need for family support to be successful, or to give a realistic chance of success.

6.1.7 Hypothesis 3

Hypothesis Statement 3: H_0 : An effective selection process does not increase the success rate.

H_A : An effective selection process increases the success rate.

The data in this section was analyzed holistically as a selection process and then divided into the technical and cultural aspects of the selection process. Of course it is difficult to separate the selection process from the attributes and skills considering that the selection process is designed to test for the correct attributes and skills required to fulfill a particular assignment.

The difference in the means of the sSAS and SFW groups when compared to the sSAF group were both found to have significantly different means. The mean of the sSAF group was 2,8 while the sSAS mean was 3,2 and the SFW mean was 3,3. This proves that the null hypothesis is rejected and there is a significant difference between the sSAF group and the groups of the sSAS and SFW samples. Hence the selection process made a material difference to the group that failed and is thus regarded as one of the reasons for their failure.

This finding supports the holistic approach to expatriate selection as proposed by Avril and Magnini (2007) which is to include a wide range of elements involving family status, emotional intelligence, dietary and exercise habits and learning orientation. The literature proposes many different criteria for selection processes and although they all differ slightly they have the same basic views.

Many of these programs focus on the technical skills required for the assignment and tend to ignore the cultural aspects as pointed out by Wong Rieger and Rieger (2002) amongst other academics. The split of the selection questions into those covering the technical aspects and those covering the cultural aspects supported the concern that companies tend to ignore the importance of the cultural dimension when embarking on a selection process.

The graph showing the technical aspects of the selection process was left skewed with all three peaks over to the right supporting the effectiveness of the selection based on technical attributes. The mean of the sSAF group was 3,8 and of the sSAS

group 4,1 and the SFW group 3,9, but the p-values show the differences to be insignificant. However when one examines the shapes of the curves it is evident that there is a shift of the sSAF curve towards the ineffective end and away from the other two groups. However what is more interesting is that all groups show the technical selection process as effective.

A very different picture emerges when the cultural aspects are plotted and reviewed. Here the means are all much lower and support an ineffective selection process. The mean of the sSAF group was 2,1 and of the sSAS group 2,5 and the SFW group 2,9, but the p-values show the differences to be insignificant between the sSAF and sSAS groups and significant between the sSAF and SFW groups. Once again the curves yield a different impression as it is clear to see that the sSAF group's cultural selection process was less effective than the other two groups.

This supports the various studies that state that companies concentrate solely or mostly on the technical skills and either fail to test for cultural skills or ignore the imbalance as the expatriates have traditionally been selected on technical competence and not a balance between technical and cultural competences.

6.1.8 Hypothesis 4

Hypothesis Statement 4: H_0 : The correct training, including cross-cultural and language training, does not increase the success rate.

H_A : The correct training, including cross-cultural and language training, increases the success rate.

It is hard to imagine that if companies do not understand the need to select expatriates based on cultural skills that they would then include in any training program the cultural aspects of preparing for an assignment. In fact the results obtained in this section support this thinking of companies as they remain ignorant to the need for cultural training. Well, if this was their point of view, then why conduct any training, particularly if their selection process focuses on technically skilled managers who get selected based on home based technical competence, as the above section highlighted. After all why is there a need to train people who already have the skills they are looking for in the selection process?

Well this is exactly what the results tell the researcher. Alarminglly all three groups had averages well on the ineffective side of the training continuum with the sSAF mean at 1,5 while the sSAS mean was at 1,9 and the SFW mean at 2,1. This showed that the level of training was very low and it probably did not include much, if any, cultural training.

The p-values show that the differences between the sSAF group and the sSAS and SFW groups was statistically significant supporting further that the sSAF group, who got the least amount of training, were negatively effected by this lack of training which reduced their chances of success and in fact contributed to their failure.

If the training levels were as low as indicated, then maybe just a small amount of training could have greatly increased their chances of success.

Hurn (2007) suggested that cultural awareness training was vital to the success of an assignment. Avril and Magnini (2007) agree that at a minimum training must include coaching in business culture, etiquette, interpersonal communication and conflict resolution. These views are supported by the results in this section. Pires, Stanton and Ostenfeld (2006) state that technical and current cross-cultural training programs, together with expatriate networks, are inadequate in addressing expatriate failure.

Thus the null hypothesis is rejected supporting the fact that the correct training, including cross-cultural and language training, can reduce the failure rates amongst expatriate managers.

6.1.9 Hypothesis 5

Hypothesis Statement 5: H_0 : The effective training of the entire family, and not just the expatriate manager, does not increase the success rate.

H_A : The effective training of the entire family, and not just the expatriate manager, increases the success rate.

It is further not surprising that, since expatriate training was not taking place, that family training would also not have received high priority, since it would be important to see the need for the former, in order to see the need for the latter.

The averages of the family training were very similar, perhaps slightly lower, to the training averages above and the p-values once again cause that the null hypothesis be rejected supporting the theory reviewed in that training of the entire family will result in a lower risk of failure provided this training focuses on the cultural awareness and host country specific cultural dynamics.

The researcher could perhaps even forgive the apathy towards training of the family members, as it is often overlooked that the expatriate manager is part of a family unit that needs to face the assignment together, but then at least training the expatriates themselves with the hope that they will pass some of the knowledge gained onto their families.

6.1.10 Hypothesis 6

Hypothesis Statement 6: H_0 : An effective pre-departure planning process does not increase the success rate.

H_A : An effective pre-departure planning process increases the success rate.

This result appeared to have an anomaly in the sSAS group and perhaps skewed the test, but there were lessons to be learned nevertheless. There appeared to be a very high number of respondents in the sSAS group that received little or no planning and a smaller amount in the same group that received a fair amount of planning.

The means of the sSAS and sSAF groups were both 2,0 and the mean for the SFW group was 2,4. The concern with this is that all groups seem to have done or assisted with very little pre-departure planning. The saying 'If you fail to plan, you plan to fail' comes to mind and one cannot help but notice that the lowest level of respondents who feel their planning was efficient came from the sSAF group.

For the sSAF and sSAS groups the null hypothesis was not rejected and it is therefore possible, but based on the graph, unlikely that pre-departure training does not increase the chances of success. The fact that the sSAF and SFW groups did reject the hypothesis and the anomaly is obviously with the sSAS group. The researcher proposes that there is enough evidence to suggest that the alternate hypothesis is true and that pre-departure training can in fact improve the chance of success.

Schell and Solomon (1997) highlight the importance of pre-departure planning in order to plan for visas, locating schools and accommodation, conducting cultural training and learning the foreign language and planning storage of furniture or selling housing in the home country. They do not specify any time frame but this will not happen effectively in a 2 to 3 month period as seen below.

A similar result, and anomaly, is observed when the graph is plotted using the pre-departure planning length. It is observed that the average length of planning for the sSAS group was 2,3 months, for the SFW group 2,4 months and for the sSAF group 3,1 months. Bar the apparent anomaly, the planning length is regarded as very short, and as a result could have contributed to the difficulties experienced in the relocation process which is examined below with a more negative outcome.

6.1.11 Hypothesis 7

Hypothesis Statement 7: H_0 : An effective relocation and orientation program does not increase the success rate.

H_A : An effective relocation and orientation program increases the success rate.

The same literature from Schell and Solomon (1997) that refers to pre-departure planning covers the relocation process and they refer to issues such as host country housing, home finding support, shipment and storage of household goods, health and safety, personal finances, living expenses and allowances. Many of the topics covered here are also part of the pre-departure planning phase since the relocation is the activity resulting from the pre-departure planning. By the same token then, it is fair to assume that if the former is not effective then the latter will also be ineffective.

The results show that the relocation of the sSAF group was the most ineffective, with a mean of 2,7 followed by the SFW group, with a mean of 3,1 and then the sSAS group with a mean of 3,4. All these processes were fairly ineffective but the differences were statistically significant supporting the rejection of the null hypothesis and supporting the fact that a poor relocation process sets the scene for a poor assignment and increases the chances of failure, as seen by the high failure rate of the sSA groups.

6.1.12 Hypothesis 8

Hypothesis Statement 8: H_0 : The appropriate continued support, while on assignment, does not increase the success rate.

H_A : The appropriate continued support, while on assignment, increases the success rate.

This phase of the relocation process is vitally important as it is in this stage that the expatriate and family start entering into the cultural shock phase and if they do not get the appropriate support may never get through the adjustment phase onto the mastery phase where they start making a success of their assignment.

The graph of the three groups shows that the sSAF group had little results on the side where the expatriates receive sufficient support and hence we find that the average is lower than that of the other two groups, resulting in the support being insufficient. The mean of the sSAF group was 2,0 with the sSAS group at 2,6 and the SFW group at 2,8. The p-values show that the differences in means are significant and hence the null hypothesis is rejected indicating that the correct support while on assignment will increase the chances of success and contributed to the failure of the sSAF group.

This result supports the literature of Schell and Solomon (1997) who talk about support as assistance with tax returns, home leave arrangements, family visit plans, help with emergencies and a mentoring system. Avril and Magnini (2007) suggest that this support also include real time training of host country culture and conditions, which makes the host mentor a vital entity. Performance appraisals and measures against the assignment definition can help assess deviation from assignment goals, and assist re-alignment, before the assignment is deemed to have been a failure and the expatriate manager is side lined through poor company planning and through no fault of they own.

6.1.13 Hypothesis 9

Hypothesis Statement 9: H_0 : The appropriateness and effectiveness of the management style used in the host country does not increase the success rate.
 H_A : The appropriateness and effectiveness of the management style used in the host country increases the success rate.

Management style is a complex construct and so it is first measured holistically and then examined individually. The overall management style graph was very interesting in that the sSAS group curve shifted right of the SFW group and the sSAF group's curve shifted left of the same point. This does not imply so much that the sSAS group was more effective than the SFW group since they operated in very different cultural environments, but suggests that their management styles were suitably adjusted to the requirements of their regions. The sSAF group's style was significantly shifted left of the sSAS group who operated in the same cultural environment so the management style or effectiveness of the sSAF and sSAS groups is the interesting outcome.

The p-values for these three groups show that there are significant differences between the means suggesting that the null hypothesis be rejected. As was acknowledged above this result is misleading for the SFW group but very significant for the sSAS group. Hence the null hypothesis is rejected and the management styles of the sSAS and sSAF groups are accepted to have been significantly different and hence the style of the sSAF group less effective in sSA than the sSAS group.

Jackson (2004) points out that 'African Management' is cross-cultural management and that the same western management models will not necessarily work in the African cultural environment, suggesting a change in management style and approach. Jackson (2004) points out that to be successful in Africa, companies and expatriates will need to learn to manage the complex cultural and ethnic environment and will need to:

- Develop the ability to turn constraints into opportunities.
- To accommodate multiple stakeholders.
- Develop effective decision processes.
- Reconcile contradictions between home and community and work life.

- Assess the appropriateness of management styles.
- Management of multicultural dynamics.
- Develop an awareness of your own culture.
- Develop managers appropriately for Africa.

These elements were incorporated into the measurement of management style and so add credibility to the fact that the null hypothesis was rejected and that the management style does in fact play a significant role in the success of expatriate management in sub-Saharan African countries.

Out of the specific management style elements surveyed two of them stood out as key drivers in the difference between the sSAF and sSAS groups with respect to management style. These were the management decision making process and the inclusion or exclusion of all stakeholders in the management style.

Both of these showed a statistical significance between the means of the sSAF group and the sSAS group indicating that the sSAF group used the incorrect decision making processes and did not include all the stakeholders in the process. The difference with the SFW group was not significant in these two cases, but given the different cultural environment this becomes irrelevant.

While there was no statistical significance between the differences of the various groups with respect to Cultural Adaptability, Adaptability towards local conditions and the management of constraints, there was a slight shift in the graphs for the sSAF group compared to the sSAS and SFW groups indicating that these elements are also important.

The second last bullet point of Jackson (2004) above is interesting, but was not included in the management style construct. It was analyzed under the cultural construct and found to be a significant contributor to expatriates ability to be culturally adaptable, showing a difference between the sSAF and sSAS groups. It is thus clear that not all management styles fit all cultures, and that expatriate managers must have the ability to be culturally aware and adaptable and must be able to understand which management styles will be effective in which cultural settings in order to get the best out of the situation and be successful in the outcome of the business objectives.

6.1.14 Hypothesis 10

Hypothesis Statement 10: H_0 : The greater the cross-cultural adaptability of the expatriate family does not result in a change in the success rate.

H_A : The greater the cross-cultural adaptability of the expatriate family, results in a change in the success rate.

The issue of cultural adaptability has already been covered along with proposition 3 which discussed cultural difference, but this is such a key ingredient in the success recipe of an expatriate manager that it is worth looking at again and from a slightly different angle.

It has already been seen that the cultural adaptability of the expatriate managers of the sSAF group was not significantly different from the sSAS and SFW groups, but when examining the graph it was clear that there was a shift in the sSAF curve away from the two other, more adaptable, groups and shows that there was a degree of inadaptability. This trend was also seen when the own culture awareness and willingness to interact graphs were reviewed with the sSAF curve showing deviation from the other two group norms. The saying 'where there is smoke, there is fire' comes to mind.

When the family support element is brought into this equation, which showed the same negative shift of the sSAF group, it is logical to draw the parallel between the adaptability of the expatriate and the family. It is also fair to assume that if the correct attitude with respect to willingness to interact with and learn the language of the host country exists in the expatriate, then it would more likely be induced in the attitudes of the other family members.

Hence, even though the null hypothesis was not rejected statistically, there is compelling evidence that with the sSAF group the expatriate, as well as the family, were on the whole not as adaptable as the other two groups.

It must be pointed out here that this adaptability that has been measured appears to have been instinctive because the level of training of both the expatriate and the families were very low. Therefore not much, if any, cultural adaptability or awareness training could have taken place. This supports further the inadequate selection

process when it comes to measuring and detecting, as a selection criteria, the cultural awareness and adaptability of the expatriate and even the family or spouse.

However the researcher is not saying that this is purely a selection problem, as it is logical to see that if there is no awareness then there cannot be adaptability and so this finding also highlights the desperate need for pre-departure cultural awareness training to build on the adaptability attributes of the candidates and foster in them a greater willingness to want to interact and learn the new culture and language.

6.1.15 Hypothesis 11

Hypothesis Statement 11: H_0 : The demographics of the expatriate manager, and the family, will have no impact on the success rate.

H_A : The demographics of the expatriate manager, and the family, will have an impact on the success rate.

This hypothesis could not be tested properly due to errors in the data obtained for demographics. The question on male or female gave results that conflicted with the response required and the age group question came out blank. Hence the only demographic that could be measured was race.

However from the results section the reader would have seen that 82% of the sample was white managers and so the sample of non-white managers was too small to conduct any statistics analysis. The percentage failure rate of the white sSA group (11 of 28) was found to be 39% and the non-white sSA group (2 of 8) was only 25%.

If this result was accurate, then it would make some sense, in that the researcher would argue that the rest of Africa could still see white South Africans as racist and, given this stereotype, they could have a greater challenge adapting to the new environment. Also the cultural distance would be greater with white South Africans than it would be with black South Africans.

The higher number of white managers is as a result of two potential mechanisms, one being the white dominance in management in South Africa and the experience base that would exist as a result of this dominance, and secondly there is a possibility that SA companies are sending white experienced managers out of South Africa on expatriate assignments to make space for BEE strategy implementation.

The experience and management level issue is addressed in a later hypothesis but this does include an analysis on race. This unfortunately, as interesting as it would be, cannot be done given the small sample size of non-white responses.

6.1.16 **Proposition 5**

Proposition Statement 5: As the demographics of South African management changes, it will have an impact on the success rate.

Given that the experienced work force is dominantly white and that the non-white group appears to be better accepted in sub-Saharan African countries and would probably understand the cultural dynamics better, then as time progresses and this demographic shifts to include a higher percentage of non-white managers, the likelihood of a reduction in the failure rate is a realistic expectation.

6.1.17 **Hypothesis 12**

Hypothesis Statement 12: H_0 : Management level and experience will not increase the success rate.
 H_A : Management level and experience will increase the success rate.

The statistical analysis between the failed and successful groups show that the null hypothesis cannot be rejected and hence indicates that with this sample the management level and management experience were no difference between the two samples. Hence the researcher cannot conclude that management level and experience assist the expatriate and aid the outcome of the assignment.

The experience measured in this analysis was total years experience in management before embarking on the assignment. Schell and Solomon (1997) highlight the fact that performance in one's home country does not predict success in a host country. This would be particularly true the greater the cultural distance and complexities of the assignment compared to the home assignment.

The results on management experience and level were, however, interesting when comparing these with the failed sample and the expatriate experience outside of the home country environment.

The above finding with overall experience is supported when a graph is plotted showing the experience of the respondents on the x-axis and the number of respondents falling in that level of experience on the y-axis as found in Figure 5.18. The support comes from the overlay of the failed sample and their experience, only to find that the same trend is followed and the failure rate at each step of years experience is very similar, supporting the fact that general experience does not set one up for success on an expatriate assignment in a host country.

However if one plots a graph of the number of previous expatriate assignments completed and overlays the failed sample as done above, as found in Figure 5.19, the result is a slightly different picture with the failure rate of those who were out on their first assignment have a higher failure rate of 30% compared to the sample failure rate of 22% and those who had completed previous assignments having a lower failure rate of only 8%. Hence the failure rate of inexperienced expatriate managers is 4 times higher than the experienced managers, but only when reviewing host country experience and not including home country experience.

When studying the outcome of the management level data, as already stated, we see that there is no difference between the management levels of the failed and successful groups. When we examine the data closely we also see that around 50% of the group received a promotion as they accepted their new assignment and started in a foreign country, with a different culture, doing a new and higher level job. However, the promotion rate was 50% for both the failed and successful groups so it is not possible to blame the high failure rate on a high level of promotions.

But, it was noted in the section dealing with proposition 2 that the main challenge given for the failed group was in fact difficulty in coping with the larger foreign assignment. This could have been aggravated by the fact that this sample, in addition to trying to adjust to their new environment and culture, also had to adjust to new work pressures from the higher level task to be performed, which contributed along with other facts to their demise.

6.1.18 **Proposition 6**

Proposition Statement 6: There will be a difference in success rates across the countries in sub-Saharan Africa.

There were not enough responses by country to test this proposition in that much detail, but the researcher was able to measure the failure rates of the Southern African respondents, the Eastern African respondents and those who worked in Mozambique.

The failure rate of the Southern African group was found to be 35% and the Eastern African group 44%. This slight increase in failure rate of the Eastern African group could be explained by the greater cultural difference that exists in those countries compared to many of the countries closer to home in the Southern region of Africa. However the difference was not that significant given the small sample size.

The only country that could be measured was that of Mozambique and the failure rate was only 18% compared to the 36% failure rate of sSA or 35% for Southern Africa. This rate was even lower than the overall 22% rate.

6.1.1 **Proposition 7**

Proposition Statement 7: The determinants will fall within the same framework as tested between sub-Saharan Africa and First World countries but differences in key determinants will vary.

The results support this proposition in that the reasons given fall within the same framework and the key determinants vary slightly between the Southern African and Eastern African groups.

First the results are tabulated showing the top five challenges for each region as seen by the following table.

Table 6.4 – Top Five Challenges of Southern & Eastern Africa

	<u>Southern Africa</u>	<u>Eastern Africa</u>
1	Coping with larger assignment	Coping with larger assignment
2	Expatriate adjustment	Technical skills
3	Spouse Adjustment	Expatriate adjustment
4	Family problems	Other: Unspecified
5	Technical skills	Spouse Adjustment

Taking the same group and looking at those who failed their assignment, and the top five challenges compared to the successful group and their top five challenges. These are tables below.

Table 6.5 – Top Five Challenges of Failed & Successful groups

	<u>Failed group</u>	<u>Successful group</u>
1	Coping with larger assignment	Coping with larger assignment
2	Expatriate adjustment	Expatriate adjustment
3	Spouse Adjustment	Spouse Adjustment
4	Technical skills	Technical skills
5	Family problems	Family problems

The interesting thing with this table is that even though there are slight differences in the order of challenges for the Southern and Eastern African, the same order exists for the failed versus the successful groups in Southern and Eastern Africa and the magnitude of each, as seen from the graph on chapter 5, are not vastly different.

6.2 Conclusion

In conclusion, this research report was a successful undertaking in that the researcher was able to calculate the success / failure rates of the target countries / regions and examine the determinants against theoretical norms. These results have key implications to those whose interests lay within the scope of this research, such as expatriate managers or potential candidates who consider an assignment in sub-Saharan Africa or companies who are conducting or planning to conduct business in these regions and whose staffing policy necessitates the use of expatriate managers.

While the major part of this report's findings are in line with literature, and perhaps even predictable, its outcome gives companies and expatriates the confidence to plan and conduct business in Africa with a clear knowledge that the environment, and its challenges, are understood.

It is important for expatriates and companies entering into sub-Saharan Africa to understand that this environment is far more challenging than First World environments and that there is a significantly higher risk of failure. This study predicts this risk of failure and highlights to them the main reasons for the failure of this expatriate sample and what could or should have been done to increase the chances of success.

Companies should know that the selection of a manager with the correct attributes and skills including the cultural awareness and toughness is vital for success and to further improve his or her chances of success the candidate should undergo a broad spectrum of cultural and skills training and should embark on an effective planning cycle all before the expatriate even enters the host country. This cost of training and planning could be insignificant compared to the cost and setback of failure. The company and expatriate should know what to expect when entering the host country and how to maximize the chance of succeeding. All these issues have been examined and highlighted through this study and report.

Companies can now build these elements into their strategic staffing policies and international human resource management plans and engage in ongoing scouting and training of potential expatriate candidates to develop a sizable pool of resources prior to entering into new emerging regions.

This report also promotes the success rates of South African expatriate managers and positions them for the international labour market as potentially strong candidates for expatriate management assignments in culturally distant countries including the sub-Saharan African countries.

Academics and researchers will find that this report, although exploratory in nature, adds to the vast body of knowledge, in that very little was known about the management dynamics on Africa. As Africa's economic vitality improves and she becomes more attractive to international business opportunities, this study will form the basic platform from which to position further understanding of this great continent.

6.3 Recommendations

There are a vast number of possible recommendations for future research as a result of the findings from this exploratory study and the main possibilities are listed below:

- A more in depth analysis as to the reasons for the higher failure rate in sSA could be conducted. The researcher focused on identifying whether the key reasons in the literature as well as cultural differences were dominant reasons, but given the high amount of unspecified reasons means that there could be other reasons which this study did and could not identify.
- The cultural construct is a significantly large subject and more detailed studies would be able to identify exactly what aspects of culture the expatriate manager finds challenging.
- This study identified that the selection process is a key determinant of success, but the development of the guidelines for developing a highly effective selection process was outside the scope of this study.
- Also this study identified that expatriate and family training was lacking and that it was a significant contributor to success. Further research could concentrate on developing the ideal training module/s for such training and more importantly develop a strategy for educating companies and expatriates on the importance of such training.
- One of the key unanswered questions in the mind of the researcher was the race demographic dynamic and what will happen to failure rates over time as the demographics of the SA workforce changes and the expatriate workforce is dominated by other race groups other than white managers. This study may be outside the scope of a MBL research report and may be premature as the local workforce and experience is still dominated by white managers.
- The impact of BEE strategy implementation in SA and the impact this will have on the migration of white SA managers is a key research opportunity as it is becoming more attractive to seek assignments outside of SA. The crime element also adds to this attraction.
- An interesting research topic would be to profile the ideal expatriate manager but from the perspective of host country nationals in potential target economically active regions. Combining this profile with the ideal selection model could lend to the perfect process in reducing failure rates.

- The link between SA own culture awareness and the transition to cultural adaptability in a host country would be an interesting analysis for an MBL student to focus on with a qualitative analysis over time of a few expatriate cases starting through from before the assignment and conducting periodic interviews with the same candidates over the entire assignment period. Such longitudinal studies are however difficult for MBL students to undertake.
- An in depth study on dissecting the cultural adaptability construct into its components would add value to the selection, training and pre-departure planning cycles of future expatriates.
- The researcher has developed a keen interest in the effects of promotion on the added challenges, along with cultural adaptation, on the expatriate's success rates and the real impact on trying to cope with larger assignments.
- The development of a dynamic model for identifying needed attributes in expatriate managers before engaging the selection process is a critical research opportunity, given that any set of attributes that may be appropriate for one assignment and country may / will not necessarily be appropriate for the next.
- The management style and identifying the appropriate style for each situation and assignment needs to be unpacked as in this case it is certainly not a case of one fits all. The cultural aspects on management style would be of primary interest in this study.
- A study should be conducted to identify the risk of the brain drain trends on SA's pool of expatriate managers to understand at what point, if ever, this pool or managers could dry up and understand to what extent expatriation and immigration compete against each other.

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