

EMPLOYERS' PERSPECTIVE OF EXPATRIATE FAILURE:
UNDERSTANDINGS AND EXPLANATIONS

Marta Maria Silva Carvalho

Project submitted as partial requirement for the conferral of
Master of Science in Business Administration

Supervisor:
Prof. Fátima Suleman, Assistant Professor, ISCTE-IUL, Department of Political
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Resumo

A expansão das empresas para os mercados externos assume múltiplas formas. A expatriação de colaboradores para a implementação dos objetivos organizacionais em empresas subsidiárias tem sido a estratégia atual de empresas multinacionais em todo o globo. No entanto, a expatriação não é isenta de riscos e os expatriados podem não ser sucedidos na sua missão. Esta pesquisa foca-se no insucesso de expatriados em empresas que operam numa economia pequena e aberta. O objetivo é obter entendimentos e explicações para o insucesso dos expatriados. A evidência empírica, baseada em seis casos de estudo de empresas multinacionais a operar em Portugal, indica que o regresso prematuro é percecionado como uma consequência do fraco desempenho ou da incapacidade de ajustamento à diversidade cultural. As empresas estudadas reportaram reduzidas taxas de insucesso nos processos de expatriação. Por esta razão, os gestores estão despreocupados com este fenómeno. A qualidade das políticas e práticas de expatriação adotadas e os fatores macroeconómicos foram algumas das razões sugeridas pelos gestores para explicar a atual e reduzida dimensão do insucesso dos expatriados – casos que, por sua vez, estão maioritariamente associados à fraca gestão, por parte das empresas, de questões familiares dos expatriados. Apesar da evidência de um número reduzido de insucessos, os gestores de recursos humanos deveriam dar mais atenção aos fatores que afetam a expatriação, nomeadamente assegurando um adequado *trade-off* entre os custos com o apoio à família e formação e os benefícios de uma implementação bem-sucedida da missão dos expatriados.

Palavras-chave: Insucesso no Destacamento Internacional; Ajustamento Internacional; Regresso Prematuro; Constrangimentos Familiares

JEL Classificação: J61 – Mobilidade Profissional Geográfica; M12 – Gestão de Pessoas

Abstract

The expansion of firms into foreign markets has multiple forms. Expatriation of employees to implement organizational goals in subsidiary firms has been a current strategy of multinational firms worldwide. However, expatriation is not without risks and expatriates may fail in their essential purposes. This research focuses on expatriate failure in firms operating in a small and open economy. The goal is to ascertain employers' understandings of and explanations for expatriate failure. Empirical evidence from six case studies of multinational firms operating in Portugal indicates that premature return is perceived as a consequence of low performance or inability to adjust to cultural diversity. Firms in the sample report very low rates of expatriate failures and consequently they are unconcerned with them. The quality of expatriation policies and practices adopted, as well as macro-economic factors were some of the reasons given by managers to explain the current negligible rate of expatriate failure, while failures are mainly associated with mismanagement of family issues. Despite this evidence of small number of failures, human resources managers should give more consideration to factors that affect expatriation, namely ensuring an appropriate trade-off between the costs of family support and training, and the benefits of a successful accomplishment of expatriate mission.

Keywords: Failure in International Assignment; International Adjustment; Premature Return; Family Constraints

JEL Classification System: J61 – Geographic Labor Mobility; M12 – Personnel Management

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September, 2014*

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Introduction

The growth of international trade all over the world and particularly in Europe are being reflected in the increase of international organizations and consequently, in the number of expatriates (Brewster, 1997; Scullion and Brewster, 2001). This has been happening due to the cost pressures that organizations face today in a context of economic crisis. According to GRS Report statistic data (2013: 27) “*fifty-four percent (54%) of respondents reported an increase in the number of international assignees over last year (...)*” and “*fifty-two percent (52%) expected the number of assignments to increase in 2013*”. Therefore, expatriates assume a key role in determining the success or failure of many international assignments.

The literature has covered the expatriate failure issue, namely because expatriation comes with a substantial investment for Companies, and a failure in these processes can be extremely costly. Companies incur not only in *direct costs*, such as the costs with expatriate's pre-departure training, travels and allowances, but also in *indirect costs*, such as the loss of market share and damage to overseas customer relationships (Zeira and Banai, 1985). These costs according with the authors are much more severe when comparing with the costs that occur in the “*domestic arena*”. Our study contributes to this debate by exploring the understandings of and explanation for expatriate failure. Furthermore, available research focuses mainly on US firms and leaves aside small and open economies like the Portuguese one. Actually, we have learned from available literature that expatriate failure varies according to industries and nationalities (Tung, 1981). In this context, the main goal of this research is to offer empirical evidence on expatriate failure in firms operating in Portugal. It should be noted that firms have made a lot of progress towards business internationalization and employees' expatriation, taking advantage of emerging market, but also strengthening the ties with Portuguese ex-colonies.

However, literature revealed unable to provide a single definition of expatriate failure. Until now, little evidence exists to fixing failure rate. Primarily, we need to explore the definition of expatriate failure. While expatriate success has reached a wide consensus, literature on expatriate failure offers a diffuse concept. It should be interesting to ascertain employers' understanding of expatriate failure. Secondly, it is relevant to learn about the number of failures in the firms. Once again there is lack of consensus on the amount of failure in the literature (Harzing, 1995; Christensen and Harzing, 2004). Finally, we explore the reasons

behind whatever rate of expatriate failure. Available literature offers a variety of reasons including individual, organizational and cultural factors.

Empirical analysis is based on six case studies of firms operating in Portugal. Research on this country is limited to single case study and overlook comparative perspective, since in Portugal only single case studies have been made (Pinho, 2012; Silva, 2011; Leal, 2013). For this reason, our qualitative research is based on multiple case studies, which allows for comparison of understandings, rates and reasons of expatriate failure in the Portuguese context. Additionally, we aim to ascertain if there is a common agreement on one or more factors that influence expatriate failure in the different companies. For this purpose, our sample includes Portuguese companies operating in a variety of activity sectors in both, European and Non-European countries. In order to ensure the confidentiality of the data, these companies will be represented by codes.

The next part of the report is organized as follows: Section 1 gives an account into the literature on expatriate failure. Herein, we discuss the definition and the reasons behind failures. Section 2 details the data and methodology, while section 3 focuses on empirical findings. Section 4 is devoted to the discussion of the results. Some concluding remarks are presented in section 5.

I - LITERATURE REVIEW

1.1. Expatriate Failure

1.1.1. Lacking consensual definition and dimensions of the concept

The literature on expatriation has widely spread especially at the beginning of the 1990's as the firms in all countries moved towards a more global economy. Caligiuri (2000a: 62) defined expatriates as “(...) *employees sent from a parent company to live and work in another country for a period ranging from two to several years*”. Additionally, Harrison, D. A., Shaffer, M. A., & Shrinivas B. (2004) refers that there exists more than one category of expatriates. They called the second category the *self-initiated expatriates*. Those are the employees who by their own initiative make the free decision to work and live abroad, so they are not transferred to another country by the parent organization. For the purposes of this thesis, we are going to focus on the *organizational expatriates* concept, which means that an expatriate should be considered as the individual who is temporarily relocated to a country other than their country of citizenship, for work reasons, by the initiative of the company that she or he are employed by.

Although human resource managers undertake similar activities in domestic and multinational firms, the scope and complexity of such activities vary with the internationalisation of the firm. In this regard, expatriate failure has attracted wide attention to researchers and practitioners, particularly because failures in international assignments impose direct and hidden costs for employers and employees¹. However, a clear definition and measurement of expatriate failure is still missing in the literature, once this is a concept connected with a broad range of issues, namely low/poor performance (Caligiuri, P. M., Hyland, M. M., Joshi, A., & Bross, A. S., 1998; Feldman and Tompson, 1993), adjustment and cross-culture problems (Black, Mendenhall, & Oddou., 1991; Shaffer, Harrison & Gilley., 1999; Bhaskar-Shrinivas, Harrison, Shaffer & Luk., 2005) spouses' inability to adjust and family concerns (Tung, 1981; Black and Stephens, 1989; Caligiuri et al., 1998; Shaffer et al., 1999; Shaffer and Harrison, 2001; Vögel, Vuuren & Millard., 2008), premature return (MyEvoy and Parker, 1995; Caligiuri et al., 1998) and repatriation (Harvey, 1982; Forster, 1994).

¹ The type of costs derived from an expatriate failure is not covered by this essay.

However, despite all these different perspectives, the majority of studies measure expatriate failure as the premature return of expatriates from an international assignment (see Christensen and Harzing, 2004 for a survey²). Premature return means the employee return to the home country before the planned end of his international assignment. In other words, the measurement of success/failure of expatriates is based on a notion of time: the effective time that an expatriate lives and works in the host country and the time planned to work and live there. If the effective time equals the planned time, expatriation processes are considered a success. Otherwise, they are assumed as a failure.

In order to illustrate the dimension of expatriate failure rates measured as expatriates' premature return, the Christensen and Harzing (2004) table that classifies expatriate failure definitions by chronological order is presented in attachment (appendix I). Through this table it is possible to conclude that the greatest part of studies define expatriate failure as the premature return of the expatriate, either with or without listing reasons.

However, while the premature return is the general and common understanding for practitioners and researchers, expatriate failure is more damaging when associated with other dimensions. For example, Caligiuri (2000a) highlights the impacts of poor performance of expatriates that can be more detrimental to the firm than the premature return. Furthermore, successful completion of a foreign assignment does not necessarily discard the probability of failure. Often "*(...) returning home poses even larger problems than the foreign assignment itself*" (Christensen and Harzing, 2004: 2). The management of repatriation is also a topic of wide concern (Harvey, 1982; Forster, 1994) especially if the expatriate is unable to reestablish in the home organization and readjust to the home culture. Repatriation is therefore a dimension of expatriate failure that has to be considered.

Moreover, there are often three characteristics that appear in the literature for the one so-called expatriate failure: (1) it appears as something damaged and so undesirable (2) the negative consequences of failure seems to be damaging the organization and not necessarily the expatriate; and (3) expatriates are the ones who are blamed for damaging the organization (Christensen and Harzing, 2004). However as the author points out there are several situations that can lead to a premature return and are not included in these three categories often associated with this concept. For instance, expatriates that are transferred to other positions

² Christensen and Harzing (2004) survey literature measures expatriate failure as the premature return from an international assignment through the number of citations.

within the Company are a desirable change that happened because of their Companies' decision. Thus, measuring expatriate's failure through premature return, can be very inadequate and lead to unreliable results due to specific situations that often exist.

1.1.2. Expatriate failure rates and empirical evidence

While expatriate failure lacks a consensual definition, there is also a lack of consensus on the amount of employees facing failure in their international assignment. Empirical evidence does not give such large numbers as do the researchers arguments.

Taking a wider, deeper look into the literature regarding expatriation, it is possible to verify that almost all articles made in this field start by giving an overview about the importance of this international workforce in today's business operations, while making reference to the high expatriate failure rates and costs that organizations need to face derived from these failures. As Christensen and Harzing (2004: 2) appointed "*over the last three decades it has become almost "traditional" to open an article on expatriate management by stating that expatriate failure rates are (very) high*". The authors are also able to argue and to provide sustainable examples regarding the poor empirical foundation for the existence of high failure rates when measured as the premature return. First, the author described a chain of the most known and important publications in the expatriate area that had mentioned the high expatriate failure rates in their articles. Second, they ends up with a final framework that lead us to the following conclusions: from the thirty-one (31) expatriation publications with reference to high expatriate failure rates, eighteen (18) explicitly refer to other studies, which means that the greatest part of articles in this area only make reference from other existing articles to frame their arguments; 9 (nine) implicitly refer to other studies, without indicating where their figures originate or simply do not mention failure rates; three (3) reviewed an original single country/single nationality or otherwise limited study and only one (1) - the Tung's (1981) study - reviewed an original country multi nationality study.

Thus, the greatest problem is that the majority of publications debating this issue do not present any original data, once the authors simply refer to other publications which in a large number of cases also do not mention research results, referring in turn to yet other publications. Christensen and Harzing (2004) are not the only authors to share the opinion that probably, expatriate failure rates have never been as high as several articles stated. In fact, also Brewster (1991: 85) cited by Christensen and Harzing (2004) states that in most

cases of articles with references to expatriate failure rates "*it is unclear where the figures originate*". Moreover, the author also straight lines the importance of taking into account the differences between industries and nationalities when explaining and stating expatriate failure rates, something that rarely occurs.

Therefore, empirical evidence regarding expatriate failure rates was very poor. In fact, there are few studies that are able to undoubtedly demonstrate quantitative expatriate failure rates in some specific regions around the world. Below, the results of three trustworthy studies, according to Christensen and Harzing (2004) are presented:

- Tung's (1981) assertion that the majority (59%) of West European firms had expatriate failure rates below 5%. Only US companies have expatriate failure rates above 20%. European and Japanese multinationals do not even fall into this category.
- Brewster (1988) study of 25 West European (British, Dutch, German, Swedish and French) firms showed that 18 of them (72%) has expatriate failure rates below 5%, nine even below 1%. Of the remaining seven (British) firms in his survey, expatriate failure rates are below 5%.
- Scullion's (1991) survey of 45 companies (40 British, 5 Irish) found that only 10% of these firms had expatriate failure rates above 5%.

Thus, in the author's (2004) opinion the only thing that is possible to conclude (through Tung's study) is that American expatriate failure rates are higher than West European and Japanese expatriates. However, "*this study dates back to the late seventies and it is expected some changes have occurred in the last years*" namely because it is expected organizations learn from their mistakes (Brewster, 1997).

Actually, the shortage of expatriate failure rates empirical evidence is surpassed by the GRTS³. The most recent report - Brookfield GRS 2013 - counted with 136 respondents, in which 54% of the responding companies were headquartered in the Americas; 42% were headquartered in Europe, the Middle East, and Africa (EMEA); and 4% were headquartered in the Asia-Pacific region. According to the Brookfield GRS 2012 and 2013 report, respondents indicated that only 7% and 6% of assignments were not completed because international assignees returned prematurely, respectively. Although the Brookfield GRS

³ The Global Relocation Trends Survey comprises statistical information about several issues related with international mobility, namely international assignee attrition rates and failure. In most cases, respondents are senior human resource professionals and/or managers of international mobility programs.

2013 report does not break results down into nationality groups, US companies are the largest group in this survey and the expatriate failure rates reported by the survey are reasonably against what is previously stated in the literature. Thus, these results reinforce Christensen and Harzing (2004) and Brewster (1997) opinion that expatriate failure rates are somewhat inconclusive. As it was said before, it is normal that organizations learnt from their mistakes as time passed by, which would explain the lower and actual expatriate failure rates. However, even if the percentage of expatriate failure is lower than what researches started to think, it is still true that companies incur not only high costs as well as several setbacks when these failures occur. Given such importance, this is a subject that must be investigated and empirically studied, but in order to do this, a systematic methodology is needed when measuring expatriate failure.

Thus, the new question arising from the literature is to what extent “expatriate failure” remains a useful concept to explore the problems related to international assignment. Christensen and Harzing (2004) suggest that international human resource management should focus on performance and turnover instead of failure. This argument is inspired in poor empirical evidence on premature return as well as on the measurement issues that is crosscutting topics in the literature.

1.2. Causes and Prevention of Failure

An additional topic of interest is the reasons that explain expatriate failure. The literature suggests different reasons including cross-culture adjustment problems; low performance; personal characteristics; lack of technical competences; organizational factors; and spouse's and family concerns.

From the 7% of expatriates that returned prematurely according with the Brookfield GRS (2012: 59) *family concerns (33%)* topped the list followed by the *early completion of the assignment (19%)* and *transfer to a new position within the company (17%)*. Respondents also cited *career concerns (5%)*, *cultural adjustment challenges (3%)*, *security concerns (3%)* and *other reasons (20%)*. In the Brookfield GRS (2013: 66) that reported a 6% expatriate failure rate, the category “*transfer to a new position within the company (25%)*” topped the list, followed by *family concerns (23%)* and *the early completion of the assignment (21%)*.

This section presents a compilation of the reasons found by several authors that often lead to an expatriate failure. Through the literature it is possible to identify one great variable with

influence on a failure – the inability of the expatriate to adjust. Therefore, a model of cross-culture adjustment is presented with all the respective variables that contribute for a well-adjusted expatriate. The lecturer should bear in mind that the mismanaged or lack of factors presented in the cross-cultural model are the main reasons why expatriates failed. Thus, the model presented is composed by the factors that managers should ensure in an expatriation process in order to avoid a failure and increase the odds of success. During the explanation of the model, researchers' main results about the factors that should be guaranteed in order to avoid a failure as well as recommendations for managers are made.

1.2.1. Cross-Culture Adjustment Problems

Cross-cultural adjustment has been one of the most frequently studied determinants of international assignments success. Because the adjustment to a new country and culture is not an easy task, a maladjusted expatriate usually leads to a failure in expatriation processes.

Black (1990: 122) defined cross-culture adjustment as “*the individual's affective psychological response to the new environment*”. Similarly, Caligiuri (2000a: 62) defined the term as the “*extent to which expatriates feel comfortable and adapted to living and working in their host country*”. According to the author, while a maladjusted expatriate shows unwillingness or inability to accept host countries' behaviours, norms and roles, a cross-culturally adjusted expatriate is observed as increasing satisfaction in being able to cope because the expatriate learns how to work effectively within the host country.

All the studies that have investigated the adjustment outcomes of expatriates seem to point to the same - positive associations with *work and non-work satisfaction* (Shaffer and Harrison, 1998; Takeuchi, Yun, & Tesluk, 2002), *job performance* (McEvoy and Parker, 1995; Caligiuri, 1997; Kraimer et al., 2001; Kraimer and Wayne, 2004; Shay and Baack, 2006); *organizational commitment* (Nauman, 1993; Shay and Baack, 2006; Takeuchi, Wang, Marinova & Yao, 2009), *intention to stay in the overseas assignment* (McEvoy and Parker, 1995; Black and Gregersen, 1999; Shaffer and Harrison, 1998; Wang and Takeuchi, 2007), all cited by Takeuchi (2005) and *psychological well-being* (Aryee and Stone, 1996; Wang and Kanungo, 2004) cited by Kwanghyun and Slocum, (2008). Therefore, the positive outcomes derived from well-adjusted expatriates gained its reliability, thought several empirical researchers. Given that all these dimensions are important for firms, deeper understandings about the factors behind cross-culture adjustment become essential. For this reason, the

majority of researchers have been correlating the adjustment of expatriates as the major determinant with influence on expatriate success.

The majority of theory and research on cross-culture adjustment derived from the Black, Mendenhall & Oddou (1991) model. For this reason, the original Black et al., (1991) model of cross-cultural adjustment is presented in order to give to the final lector the conceptual framework of expatriates' cross-culture adjustment. Further, the model's more recent extensions are referred in order to provide empirical validation about the conceptual framework analysed. Moreover, a summarizing theoretical framework of the most critical factors with influence on expatriates' culture adjustment and thus, in avoiding their failure is drawn in the end of the chapter.

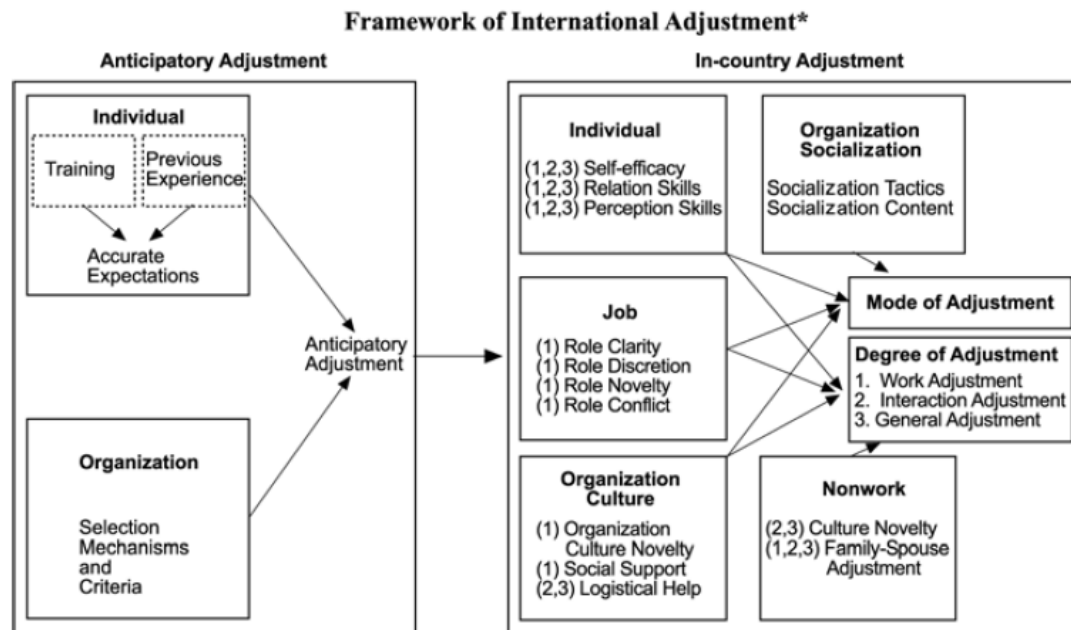
1.2.2. The adjustment model of Black, Mendenhall & Oddou (1991)

In concerns to study expatriate adjustment to foreign assignments, Black *dimensions of adjustment* (Black, 1988) and Black, Mendenhall & Oddou (1991) *integrated model of international adjustment* were the basis for other researchers that also studied this subject.

Black (1988) considered the adjustment to international assignments as a multidimensional concept. The author suggested, and empirically confirmed, three dimensions of cross-cultural adjustment: (1) *work adjustment*, which refers to the expatriate adjustment within his new job requirements; (2) *interaction adjustment*, which refers to the adjustment that is obtained through expatriate's socialization with the host country nationals; and (3) *general adjustment*, which refers to the adjustment related to non-work factors in the foreign culture and to the living conditions abroad, such as transportation, local food, health care services and entertainment. Thus, the author suggested that international adjustment may not be a unitary concept and so "*because adjustment appears to be multifaceted, it follows logically that different antecedents to adjustment may have different impacts on each facet of adjustment*" (Black et al., 1991: 304).

Black et al., (1991) developed a model of international adjustment, in which the main factors with influence on the three dimensions of adjustment are defined. Given that expatriate adjustment influences expatriate success, the factors with influence on the expatriate adjustment are the factors that will allow the expatriate to adapt and, consequently, to be succeed. The framework of this model is presented below in Figure 1.

Figure 1 - Framework of International Adjustment



Note: *Numbers in parentheses indicate the numbered facet(s) of adjustment to which the specific variable is expected to relate

Source: Black et al., (1991)

According to the model, there are two important propositions related with **anticipatory adjustment** and **in-country adjustment**. The anticipatory adjustment, is related to issues prior to the expatriate departure that is, issues that exist before expatriates leave their home countries. There are individual and organizational factors that affect anticipatory adjustment. Individual factors include *accurate expectations*, which are created from the expatriate *training* and his *previous international experience*. Previous experience should facilitate culture adjustment by reducing culture shock. With previous international experience, relocation skills are developed and these may facilitate adjustment to a new assignment by reducing uncertainty associated with the move (Black et al., 1991). These two last factors are positively related to anticipatory adjustment. The organizational factors are related with the effectiveness of *selection mechanisms and criteria*, once the selection of some expatriates obey to certain relevant criterion that eases expatriates' adjustment.

The proper level of anticipatory adjustment facilitates the in-country adjustment. The dimensions proposed by Black et al., (1991) that integrated this last category are:

(1) Individual Factors – Include self-dimension, relational skills and perceptual skills. *Self-dimension* is related with an individual's learning ability to use new behaviours needed in new settings that reduce expatriate's uncertainty level. *Relational skills* are traduced

in the capacity of establishing relations with the host country nationals, which allows expatriates to have a mean of getting information about how they should behave in the new environment, and so reduce their uncertainty level. Finally, *perceptual skills* helps expatriates to understand and to adopt the appropriate behaviours at the Host Country which can reduce uncertainty and ease adjustment.

(2) Job Factors - Include four different variables: (1) role conflict, which refers to conflicting signals about what is expected in the new job; (2) role novelty, which refers to differences between the new job and the previous job of the expatriate; (3) role clarity, which refers to explicit expected behaviours; and (4) role discretion, which refers to the degree to which role players are allowed to adapt the new role to themselves. While the role conflict and role novelty are negatively associated with expatriates' adjustment (especially regarding the work adjustment degree), the role clarity and role discretion have a positive and direct effect on expatriate cross-culture adjustment.

(3) Organizational Factors – Includes adjustment antecedents related with organizational culture and organization socialization practices. There are three organizational factors that are expected to influence expatriate work role adjustment: (1) *organizational cultural novelty*, which refers to the difference in the home and host country's organization culture, (2) *social support*, which refers to all sources and means of helping the expatriate not only in the host country but also before the expatriate departure and (3) *logistical support*, which refers to all the benefits and living conditions that are given to the expatriate. Organizational culture novelty is expected to increase the uncertainty level in the expatriate affecting in a negative way expatriate's cross-culture adjustment. On the other hand, an organization with a culture able to support the expatriate in both terms - socially and logistically - is going to reduce the uncertainty level by facilitating the move into the new environment. Because of this, social and logistical support is expected to be positively associated with the interaction and general adjustment degree.

(4) Non-work Factors – There are two non-work factors with influence on adjustment: (1) culture novelty and (2) spouse/family maladjustment. The *cultural novelty*, which refers to the perceived distance between the host and home culture, is expected to increase the uncertainty level of the expatriate and to make it difficult for the expatriate to adjust, especially by increasing interaction and general adjustment difficulties. The

spouse/family maladjustment of the expatriate also affects negatively the cross-culture adjustment of the expatriate.

1.2.3. Research Extensions derived from the Black et al., (1991) Model

Although Black et al., (1991) model of cross-culture adjustment has been the basis for almost all types of researches conducted on this subject, empirical evidence has come from many different authors. In fact, two studies that gave an almost fully empirical validation to the original work of Black et al., (1991) are the work of Shaffer, Harrison and Gilley (1999) and the meta-analytic study of Bhaskar-Shrinivas, P., Harrison, D. A., Shaffer, M. A., & Luk, D. M. (2005). For this reason, the findings of these authors are briefly summarized and complemented by relevant results from other researchers. This section aims to indicate some more recent theoretical and empirical findings about the factors with influence on the cross-culture adjustment of expatriates and thus, in avoiding their failure.

In the literature there are five factors that have been theoretically considered and empirically tested by different authors affecting expatriate's **pre-departure adjustment**: (1) Previous International Experience; (2) Host Language Ability; (3) Realistic Assignment Previews; (4) Recruitment and Selection Criteria and Mechanisms; and (5) Pre-departure training.

(1) Previous International Experience - The results of the relationships between previous experience overseas and expatriate adjustment have differed through researchers. Shaffer et al., (1999) found that this is a powerful moderator, especially in relationship to co-worker support. This means that expatriates, who have previous experience overseas, tend to rely more on on-site management than the home office, which suggests that international organizations should take steps to improve support networks for employees who are expatriates for the first time, once those are the ones who need more local support. On the other hand, Bhaskar-Shrinivas et al., (2005) found that previous overseas experience was positive and significantly related to both work and interaction but not to general adjustment. The lack of finding uniformity has been explained by the way international experience has been assessed by the researchers. Usually, researchers used experience overseas as a sum of total years that an expatriate is abroad, while international experience is much more than that. Instead, it includes the diversity of knowledge, skills and experiences that expatriate acquire when they are overseas (Bhaskar-Shrinivas et al., 2005).

(2) Host Language Ability - *Technical competence* and *basic managerial skills* are the first two competencies that organizations look for in their employees when they want to send people overseas (Haslberger and Stroh, 1992). According to the results achieved by these authors, host language ability ended in the seventh place. This means that although a lack of *language skills* is the main barrier to effective cross-culture communications, companies seem to not usually consider this competency as the major selecting mechanism criteria. Accordingly with the authors, probably managers disregard language skills in selection decisions because they recognize English as the international business language. Nevertheless, a positive relationship between host country language ability with general and interaction adjustment was found (Shaffer et al., 1999; Bhaskar-Shrinivas et al., 2005). These results suggest that organizations should provide in-depth language training to expatriates with long term assignments and with closer interactions with the host country nationals.

(3) Realistic Assignment Previews – It is the way how organizations communicate to candidates the realities of a job by easing expatriates' transitions in order to give greater structure and explicitness to the processes and outcomes necessary for expatriates to perform their jobs well (Shaffer et al., 1999; Bhaskar-Shrinivas et al., 2005). The aim of realistic assignment previews is to create realistic expectations for future expatriates. It is thought that realistic job previews “*have the potential to help a person create a realistic level of initial expectations when entering any new or unknown setting, which increases the probability of success*” (Caligiuri and Phillips, 2003: 1103). For instance, cross-culture training and conversations with repatriates are types of realistic assignment previews for expatriate candidates.

(4) Recruitment and Selection Criteria and Mechanisms - When choosing someone to go overseas, there are some variables that should be taken into consideration, especially when the host country destination is emphasized with culture differences of the home country. One of the most common errors that managers make is to consider that an expatriate who has a high performance in the home country will also deliver high performance standards overseas (Scullion and Brewster, 2001). As already referred, *technical competences* and *basic managerial skills* are the first two competencies that organizations look for in their employees when they want to send people overseas (Haslberger and Stroh, 1992). However, when candidates are selected only by technical competences, premature return or poor performance are often a negative outcome derived from a non-well-done selection process, because

candidates are only being selected for skills showed in a national context (Scullion and Brewster, 2001). This is also the reason why several authors believe that the criteria used by companies to select expatriates are often inflexible and simple (Tung, 1981; Brewster, 1997). Tung (1981) defends that managers should use different criteria for selecting candidates and adapting those criteria to the different destinations and job categories. The author also straight lines that although technical competences are important, managers should rely heavily on candidates personality characteristics, such as open-mindedness, flexibility and emotional stability (Caligiuri, 2000b; Tsai-Jung Huang and Lawler, 2005). Additionally, including the expatriate's family in this process is also a fundamental step in order to clarify the expectations of both (Tung, 1981).

(5) Pre-Departure Training - The greatest difference in giving training to an expatriate and to an employee resides in the scope of training (Scullion and Brewster, 2001). These authors specified two challenges of companies when they provide training to expatriates. The first one is concerning to the fact that expatriates do not only need to adapt to a new function but also to a new culture and thus, the main goal of training must be to ease expatriate's adjustment into the host country. This is also the reason why scholars have defended that cross-culture training has long been advocated as a means of facilitating effective cross-culture interactions and thus, in avoiding expatriate failure (Tung, 1981; Black and Mendenhall, 1990; Caligiuri, Phillips, Lazarova, Tarique, & Burgi, 2001; Vögel et al., 2008). On the other hand, the stress of an international assignment not only affects expatriates but also their family. Therefore, the family of expatriates should also be included in the training (Tung, 1981; Harvey, 1985; Vögel et al., 2008). Research has proved that organizations which provide pre-departure and in-country training to expatriates increase the odds of expatriates' success. In order to avoid expatriates failure and increase the odds of success, expatriates should always adapt to the reality of the new environment and behave with the most proper manner, according with the customs and rules of the host country. One tool that managers can use in order to ease this adjustment is to provide cross-culture training to their future expatriates (Caligiuri et al., 2001; Vögel et al., 2008).

In concerning to expatriate **in-country adjustment**, there are five different categories in the literature affecting this dimension: (1) Individual Personality Factors; (2) Job Factors; (3) Organizational Factors; (4) Host Country Culture factors; and (5) Spouse/Family Adjustment factors.

(1) Individual Personality Factors - Individual personality factors are the intrinsic characteristics of the expat that ease or make it difficult his adjustment overseas. Because

expatriate assignments are very interactive in nature, individuals need to have certain characteristics in order to meet companies' goals during the international assignment (Caligiuri, 2000b). The Big Five Personality Traits is composed of five dimensions and it is one of the most used approaches to predict characteristics with influence in expatriate adjustment (Digman, 1990; Goldberg, 1993), cited by Tsai-Jung Huang et al., (2005).

Each dimension is divided in two: Extroversion/Introversion; Agreeableness/Non-Agreeableness; Conscientiousness/Non-Conscientiousness; Neuroticism/Emotional Stability; Openness to Experience/Non-Openness to Experience. The five dimensions are defined as follows:

- *Extroversion*, is the degree to which a person is gregarious, active, talkative and sociable and enjoys social gatherings (Barrett and Pietromonaco, 1997) cited by Tsai-Jung Huang et al., (2005);
- *Agreeableness*, is the “*tendency of a person to be interpersonally altruistic and cooperative*” (Tsai-Jung Huang et al., 2005: 1660). Therefore, agreeable individuals “*seek the acceptance of others (...) tend to adhere to the norms of people (...) try to learn how locals think and accommodate their feelings and actions (...)*” (Tsai-Jung Huang et al, 2005: 1661);
- *Conscientiousness* is the “*degree to which a person is strong-willed, determined and attentive*”. Therefore expatriates with high conscientiousness “*consistently work hard in his or her job assignments, are willing to be responsible, and conducts tasks in an orderly and well-planned manner*” (Tsai-Jung Huang et al., 2005: 1661);
- *Neuroticism* is associated with “*negative emotional stability (...) characteristics of nervousness and a temperamental nature*” (Tsai-Jung Huang et al., 2005: 1662). Expatriates with high values on this dimension easily enter in stress when faced with new and untypical situations. Instead, expatriates with high values on *emotional stability* lead with stress in an effective way, which makes them better handle unusual situations that are often found in a new setting environment;
- *Openness to experience* is the extent to which a person is “*open-minded, curious, and non-judgemental (...)*” (Tsai-Jung Huang et al., 2005: 1664). An open-minded expatriate enters a host country with fewer stereotypes and shows willingness to embrace the host country culture.

Many researchers have studied the importance of these personality characteristics on cross-culture adjustment and other expatriates outcomes, such as job performance and intentions to

come earlier from an international assignment. For instance, Tsai-Jung Huang et al., (2005: 1664) conducted a research about US expatriates adjustment in Taiwan. Their results found that *“extroversion, agreeableness, and openness to experience (...) are all significantly and positively correlated with each of the three dimensions of adjustment, while neuroticism and conscientiousness are not significantly correlated with any of the adjustment’s dimension”*. Caligiuri (2000b: 67) found that *“extroversion, agreeableness and emotional stability are negatively related to whether expatriates desire to terminate the assignment (...) and conscientiousness is positively related to the supervisor-rated performance on the expatriate assignment”*. All these studies suggest that companies should assess their potential expatriates accordingly with these characteristics in order to *“improve the chances of individuals to succeeding on these assignments”* (Caligiuri, 2000b: 84).

Another characteristic of individuals easing adjustment is their level of **culture intelligence (CQ)**. This concept *“represents an individual’s capability for successful adaptation to a new and unfamiliar cultural setting as well as the ability to function easily and effectively in situations characterised by culture diversity”* (Templer et al., 2007) cited by Kumar, Rose and Subramaniam (2008: 320). Culture intelligence is composed of four dimensions: (1) *meta-cognitive*, which refers to the processes used to acquire and understand cultural knowledge; (2) *cognitive*, which refers to general knowledge about culture and cultural differences; (3) *motivational*, which reflects the desire to adapt to the other culture and (4) *behavioural*, which involves the capability to engage in adaptive behaviour (Kumar et al., 2008). Research regarding CQ is relatively new but it’s growing, especially in concerns to studying its impact on cross-culture adjustment. Prior study has demonstrated that of the CQ four dimensions, *motivational and behavioural components* are significant predictors of expatriate cross-culture adjustment. In fact, motivational CQ is positively related to cross-culture adjustment because *“those with higher motivational CQ have intrinsic interests in other cultures and expect to be successful in culturally diverse situations” (...)* as for *behavioural CQ since those with the capability to vary their behaviour have higher cultural adjustment”* (Kumar et al., 2008; 323). The authors also indicated that motivational CQ predicts all three facets of adjustment. Although there are arguments that CQ can be trained, candidates with readily high CQ level definitely are more preferable and more likely to produce results than those with low levels (Kumar et al., 2008).

(2) Job Factors - As the original classification of Black et al., (1991) there are four variables that compose job factors: (1) *role conflict*, (2) *role novelty*, (3) *role clarity*, and (4) *role discretion*. Of the four job factors specified by Black et al., (1991) all have been found to be significantly related to expatriate work adjustment (Shaffer et al., 1999). The differences reside in the effect that each one has on expatriate's adjustment. While role conflict and role novelty increase the uncertainty level of expatriates and thus, are negatively associated with adjustment, role clarity and role discretion have the inverse effect.

(3) Organizational Factors - Researchers have examined the three organizational factors originally identified by Black et al., (1991): Social Support from co-workers, Logistic Support and Organizational Culture Novelty. *Co-workers support* can play an important role in easing adjustment by “(...) providing expatriates with information about culturally suitable norms and behaviours in their work context” (Guzzo, Noonan, & Elron., 1994), cited by Bhaskar-Shrinivas et al., (2005; 260). Bhaskar-Shrinivas et al., (2005) found social support from co-workers to be positively and significantly associated with the three forms of adjustment. *Logistical support*, which refers to “ (...) parent firm assistance with day-to-day living, such as financial support, help with housing, and so on” is expected to ease adjustment once it makes “ (...) critical resources available to the expatriate at times of necessity, thus meeting the demands of environmental stressors” (Bhaskar-Shrinivas et al., 2005; 260). Shaffer et al., (1999) also concluded that social support from co-workers as well as logistical support has a facilitating effect on adjustment. Thus, appropriate social support from the organization, supervisor, and peers should be provided for expatriates to adjust well to the new environment (Kwanghyun and Slocum, 2008). In concerning to the *organizational culture novelty* (the perceived differences between home and host organizational culture) has not been tested empirically, due to the difficulty of distinguishing organizational culture novelty from cultural novelty in general (Bhaskar-Shrinivas et al., 2005).

(4) Host Country Culture factors - Human resources managers and policy makers, in particular, play an important role in avoiding expatriate failure. In order to accomplish success on international assignments, managers and expatriates must understand that what works in the home country might not work in the host country. In order to be globally succeeded, global practises need to be adapted to local culture values in order to ensure organizations' efficacy and efficiency. Managers need to be aware of culture differences in order to manage well across cultures. Hofstede (1991: 5) defined culture as the “*collective programming of the*

mind that distinguishes members of one group of people from another". This author delineated four dimensions of culture differences: high/low power-distance, individualism-collectivism, masculinity-femininity and high/low uncertainty avoidance. Later, a fifth dimension named long/short-term-orientation was added.

The five culture dimensions of Hofstede (1991) are described below:

- (a) *Power Distance (PDI)* – Is the extent to which people accept unequal distribution of power, wealth and privilege. People in society's exhibiting a large degree of power distance, accept a hierarchical order in which everybody has a place and which needs no further justification. In societies with low power distance, people do their best to equalise the distribution of power and demand justification for inequalities.
- (b) *Individualism-Collectivism (IDV)* – Is the degree to which individuals tend to act independently. In individualistic society's people are expected to take care of themselves. In collectivist societies, individuals can expect their relatives or members of a particular in-group to look after them.
- (c) *Uncertainty avoidance (UAI)* – Is the extent to which individuals prefer to cope with uncertainty and the unknown. Countries exhibiting strong UAI maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas.
- (d) *Masculinity/Femininity (MAS)* – is the extent to which people tend to endorse in high achievements and goals. High masculine countries attribute high importance to earnings and achievement recognition. They also exhibit work centrality and higher job stress. High feminine countries are characterized by more importance attributed to relationships between the different members and family and quality of life.
- (e) *Long-term orientation dimension* – is the extent to which cultures differ in the way they give meaning to the past, the present and the future. Societies with a short-term orientation are generally normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results. In long-term orientation societies, people show an ability to adapt traditions to changed conditions, a strong propensity to save and invest and perseverance in achieving results.

The five Hofstede dimensions are a very good way of understanding the difference in cultures and adjusting expatriates' actions to the host country. Human resources managers play an important role when they do research in order to help expatriates to get well-prepared to a foreign culture. If managers and expatriates have a better understanding of each culture and of

the impact this has on how business happens around the world, they might be closer to achieve effectiveness in global markets.

This also comes to underlie another factor concerning host country culture that should be taken into consideration when managing expatriation processes - the **expatriates' culture fit**. The majority of researchers have overlooked the importance of the host country context by assuming that certain personality traits have similar effects when predicting the cross-culture adjustment of the expatriate anywhere. In many cases *"researchers have implicitly assumed uniformity in the predictive power of personality, without explicit regard for the cultural origins and destinations of sojourners"* (Ward and Chang, 1997: 526). In an effort to rectify the shortcomings of previous studies that assumed an universal effect of certain personality traits, researchers have started to focus on a new expatriate effectiveness driver – the culture fit hypothesis. This hypothesis states that *"(...) it is not only the expatriate personality traits per se, but the cultural fit between expatriate personality traits and host country cultural values, norms, and prototypical personality traits that predict expatriate adjustment in host countries"* (Searle and Ward, 1990; Ward and Chang, 1997; Ward, Leong, & Low., 2004) cited by Peltokorpi and Froese (2013: 1). More recent studies have also showed that a fit between individual and host country in terms of values, beliefs, and personality characteristics enhances individuals' wellbeing (Schiefer, Mollering & Daniel., 2012) and so other positive outcomes (Peltokorpi and Froese 2013). According with the culture fit hypothesis, the most suitable expatriate to go to an international assignment is the one whose personality better fits with the culture of the Host Country.

(5) Spouse/Family Adjustment factors - Researchers have frequently approached expatriates' experiences solely from an expatriate perspective (Takeuchi, 2010). Only recently they are turning their attention to expatriates' family adjustment. This new perspective has gained relevance because of the positive correlations between spouses' adjustment and its direct and/or indirect influences on expatriates' adjustment that scholars have found (Caligiuri et al., 1998; Shaffer and Harrison, 2001; Black and Stephens, 1989; Bhaskar-Shrinivas et al., 2005; Learing and Selmer, 2010; Lazarova, Westman & Shaffer., 2010; Takeuchi, 2010) and thus, in expatriates outcomes such as job performance, job satisfaction and completion of the international assignment. This means that expatriates' adaptation in the host country can be ease by the support of their family. In fact, spouses' inability to adjust and family concerns were found to be the top reasons that often lead to an expatriate failure (Tung, 1981; Black,

1988; Harvey, 1985). The most recent report - Brookfield GRS (2013: 29) – also concluded that 6% of international assignments were incomplete because assignees returned early due to “*family concerns (35%)*”. According with the same report, the top family challenges identified as very critical to the respondents’ companies were: “*spouse/partner resistance to international relocation, family adjustment, children education and spouse/partner career*” Thus, scholars jointly agree that in order to avoid an expatriate failure an isolated adjustment of the expatriate himself is not enough. Some authors even consider that expatriate’s family adjustment is more difficult to achieve than the expatriate’s adjustment because these two have different daily lives and contacts. While expatriates have a defined role and function at their job, interactions with work colleagues in a regular base and known responsibilities’, their spouses “*usually do not have a job and so work-related constructs are not relevant to their adjustment*” (Shaffer and Harrison, 2001: 238). Moreover, spouses are generally more directly involved with the local environment and tend to have considerably different responsibilities than they did before the assignment. Because of this, the adjustment process for spouses can be especially difficult and stressful, adding the fact that they are isolated from their family and friends they had to leave behind in order to follow their partner. Black (1988) conducted interviews to 250 American expatriates of four countries: Japan, Korea, Taiwan and Hong Kong. The author measured the three facets of expatriate adjustment and spouse adjustment (general, interaction and work) and reached the following conclusions: a) the adjustment of the expatriate manager is positively related to intentions to stay; b) the adjustment of the spouse adjustment is positively related to the expatriate’s intention to stay in the overseas assignment; c) the more favourable the spouses opinion about the overseas assignment, the easier will be his or her adjustment; d) the more novel the culture, the harder will be the spouses adjustment. Moreover, other researchers have also showed that a good adjustment of the spouse can bring many benefits for expatriates work and non-work life. Laurant and Selmar (2010) conducted an ethnographic study in order to examine the positive influence of spouses on expatriate assignments. By observing and recording the actions of sixteen Danish families living in Saudi Arabia for the same organization, results showed that spouses were active in supporting their partners/expatriate careers and repatriation opportunities by using social strategies in many different ways (e.g: creating alliances; establishing social networks with influential others thought social contacts; organising dinner parties...). Thus, researchers have suggested that spouses can play an important role in expatriate success rather than in its failure. Companies need to acknowledge the strong spouses’ positive influence and take the most advantage of it. For instance, the recruitment

and selection process of an expatriate should take into consideration the easiness that expatriate's family has to new cultural context (Tung, 1981). Not including expatriate's family in expatriation processes tends to increase the risk of failure. This happens namely because the acceptance of an international assignment without the family causes a more significant culture shock which might compromise the success of the international assignment. Vögel et al., (2008) suggests that firms need to prepare expatriate's families for the expatriation process. Thus, whenever training is provided to the expatriates, it should also be provided to their family. However, providing training, by itself, is not enough to guarantee the adjustment of spouses. Companies should also provide all the types of support and practical assistance that expatriate's families might need during the pre-departure and during their stay in the host country (Shaffer and Harrison, 2001). Gupta, Banerjee, & Gaur (2012) suggests organizations to create social networks that allow expatriate's spouses to establish relationships with other expatriates and respective families already settled in the host country. Organizations that do not have an attitude of support and guidance to expatriates' spouses influence their adaptation in a negative way, increasing the risk of failure for international assignments.

Finally, we concluded that researchers have been covered expatriate failure phenomenon mainly by investigating and empirically testing expatriate's critical success factors. Herein, cross-culture adjustment is assumed by scholars as the variable with greater influence on expatriate's success. However, several factors need to be ensured in order to become a cross-culture adjusted expatriate. In other words, cross-culture adjustment is not a unitary variable, instead, it depends heavily on a set of factors that organizations need to take into consideration when manage an expatriation process.

Despite the great number of studies made so far, expatriation is still an area full of challenges and complexities that need to be investigated. For example, literature revealed unable to provide a single definition of expatriate failure as well as fixing failure rate by country. In addition, the available research on expatriation mainly focuses on US firms. However, given the broadening of the global economy and specially, with the creation of the European Union, studies on expatriation in small and open economies is strongly encouraged, given the characteristics of such economies in comparison with the largest ones.

Figure 2 - Cross-Culture Adjustment Factors: Summary of main research findings and extensions to Black et al., (1991)

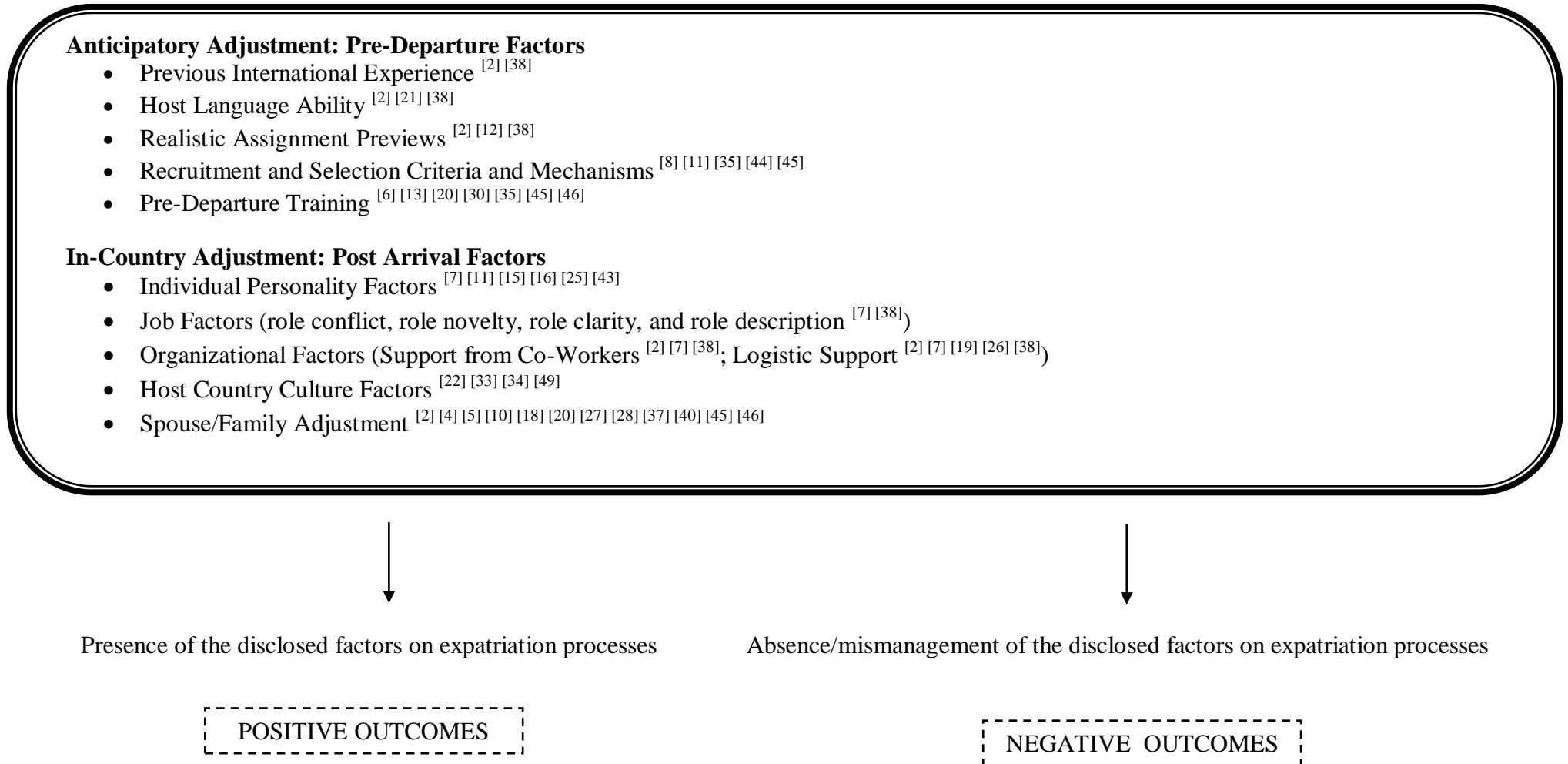


Figure 3 - Positive and Negative Outcomes from Expatriate Adjustment/Maladjustment

Expatriate Positive Outcomes derived From Adjustment

- *Organizational Level:* Effective job performance ^{[2] [9] [23] [24] [31] [39]}; Organizational commitment ^{[32] [39] [41]}; Intention to stay in the overseas assignment ^{[3] [36] [48]}; Companies success on international assignment ^{[14] [31]} and organizations' global success" ^[10]; Organization high level negotiations ^{[11] [31]}; Organization foreign subsidiary management ^{[11] [31]}; New market development ^{[11] [31]};
- *Individual Level:* Work and non-work satisfaction ^{[3] [36] [42]}; Psychological well-being ^{[1] [47]}; Individuals' career growth ^[10]; Increase ability to function effectively in both work and social life domains ^[2]

Expatriate Negative Outcomes derived from Maladjustment

- *Financial and Non-Financial Costs:* Direct costs (e.g: pre-departure training of the expatriate, time spent with the preparation of mandatory documents, travels, high wages, health insurance, house expenditures) ^[50] and indirect costs associated with loss of opportunities and market share ^{[17] [50]}; Damage to overseas customer relationships ^{[29] [50]}; Disrupted interactions with the host country ^{[15] [50]}; Damage of company's reputation and brand ^[3]; Turnover/ premature return ^{[15] [17] [31]}; Poor performance ^{[15] [30] [31]};
- Damage of employee's careers ^[10]

Legend: [1] Aryee and Stone (1996), cited by Kwanghyun and Slocum (2008); [2] Bhaskar-Shrinivas et al., (2005); [3] Black and Gregersen, (1999) cited by Takeuchi et al., (2005); [4] Black, 1988; [5] Black and Stephens, (1989); [6] Black and Mendenhall, (1990); [7] Black et al., (1991); [8] Brewster, (1997); [9] Caligiuri, (1997) cited by Takeuchi et al., (2005); [10] Caligiuri et al., (1998); [11] Caligiuri, (2000b); [12] Caligiuri and Phillips, (2003); [13] Caligiuri et al., (2001); [14] D'Aveni, (1995) cited by Scullion and Brewster (2001); [15] Digman, (1990) cited by Tsai-Jung Huang et al., (2005); [16] Goldberg, (1993) cited by Tsai-Jung Huang et al., (2005); [17] Gregersen and Black, (1990) cited by Caligiuri (2000b); [18] Gupta et al., (2012); [19] Guzzo et al., (1994) cited by Bhaskar-Shrinivas et al., (2005); [20] Harvey, (1985); [21] Haslberger and Stroh, (1992); [22] Hofstede, (1991); [23] Kraimer and Wayne, (2004) cited by Takeuchi et al., (2005); [24] Kraimer et al., (2001) cited by Takeuchi et al., (2005); [25] Kumar et al., (2008); [26] Kwanghyun and Slocum, (2008); [27] Loring and Selmer, (2010); [28] Lazarova et al., (2010); [29] Mendenhall and Oddou (1985); [30] Mendenhall and Oddou, (1986) cited by Scullion and Brewster, (2001); [31] MyEvoy and Parker, (1995) cited by Caligiuri, (2000); [32] Nauman, (1993) cited by Takeuchi et al., (2005); [33] Peltokorpi and Froese, (2013); [34] Schiefer et al., (2012); [35] Scullion and Brewster, (2001); [36] Shaffer and Harrison, (1998) cited by Takeuchi et al., (2005); [37] Shaffer and Harrison, (2001); [38] Shaffer et al., (1999); [39] Shay and Baack, (2006) cited by Takeuchi et al., (2005); [40] Takeuchi et al., (2010); [41] Takeuchi, Wang, Marinova, & Yao, (2009) cited by Takeuchi et al., (2005); [42] Takeuchi, Yun, & Tesluk, (2002) cited by Takeuchi et al., (2005); [43] Templer et al., (2007) cited by Kumar et al., (2008); [44] Tsai-Jung Huang and Lawler., 2005; [45] Tung, (1981); [46] Vögel et al., (2008); [47] Wang and Kanungo, (2004) cited by Kwanghyun and Slocum, (2008); [48] Wang and Takeuchi, (2007) cited by Takeuchi et al., (2005); [49] Ward and Chang, (1997); [50] Zeira and Banai, (1985).

II – DATA AND METHODOLOGY

2.1. The Data

The data was collected from multinational firms operating in Portugal, with a relevant history of sending people overseas as expatriates. Portuguese economy seems to be an interesting case study for at least two reasons. First, it is a small open economy exporting goods and services to European and non-European countries. Second, firms are heavily investing in an internalization strategy through subsidiary business unit and expatriation of their human resources. For this purpose, our sample includes six Portuguese companies, created in the mid '60s and early '90s, operating in a variety of activity sectors in both, European and Non-European countries. The majority of them are looking particularly for opportunities in Non-European countries, including Portuguese ex-colonies such as Timor, Brazil, Mozambique and Cape Verde. These companies differ in size, stage of internationalization, proportion of expatriates and expatriation policies and practices.

Survey data was collected from six employers, each one working in a different company. Three of them have a Human Resources Director position and the others a Human Resources Manager position. For the selection of these interviewees, an e-mail referring to the aim of this study was sent to the human resources department of each Company. Then, the best people were indicated and consequently, contacted. The interest was to collect the opinions, perceptions and experiences of managers who have had an active role in the management of expatriation processes. In order to ensure confidentiality of the data, these companies will be represented by codes. Each code represents one company and its respective interviewee. The six case studies are represented in the table below.

Table 1 - Codifications of the Interviews realized to Managers

C1	Company 1 - Human Resources Director
C2	Company 2 - Human Resources Director
C3	Company 3 - Human Resources Director
C4	Company 4 - Human Resources Manager
C5	Company 5 - Human Resources Manager
C6	Company 6 - Human Resources Manager

2.2 Methodology

Because this research proposes to ascertain understandings and explanations for expatriate failure from employers, a **qualitative research method** was used and an **exploratory research** developed. This is a very descriptive and inductive method that aims to seek and to understand the reality and meanings of the phenomena under study without the need to confirm or refute previously established hypotheses (Bogdan and Biklen, 1994). The explorative qualitative research was the chosen method for the elaboration of this essay due to the following main reasons:

- There are only few qualitative studies on expatriate failure. The majority of studies made so far are quantitative;
- The interviewees are witnesses of expatriates' failure cases and their knowledge and experiences are used as sources of evidence;
- Studying expatriate failure in a real business context allows drawing recommendations for human resources professionals. This is useful to provide answers to a specific and actual management problem in concerns to the management of expatriation processes.

The research method used is based on **case studies**. According with Yin (2009) there are three factors conditioning the most appropriateness choice for a method: (1) the research question type; (2) the control of the researcher regarding the actual behavioural events; and (3) the aim of the research (whether it deals with historical or contemporary phenomena). In concerning to case studies and respecting the three characteristics mentioned, the author explains that this is a method usually used by researchers (1) when the questions being made are “how” and/or “why”, (2) the researcher has little influence on the events and (3) the investigation aim is based on contemporary phenomena in a real life context.

The case study may focus on a single case or multiple cases, by using a single or multiple units of analysis, respectively (Yin, 2009). The present research is based on **multiple case studies**, which allows for comparison of understandings, rates and reasons of expatriate failure in a Portuguese context. However, the purpose on using the case study method is not to use the studied cases as a sample. As Yin (2009) states, case studies are generalizable to theoretical propositions and not to populations or universes. Therefore, it is intended to obtain answers to our research questions and to generalize these conclusions to useful theoretical prepositions and recommendations.

In concerns to data collection, the use of case studies often involves the use of various techniques, which may be qualitative, quantitative, or a combination of both (Yin, 2009) such as interviews, observation, questionnaires and document analysis. According with some authors (Reto e Nunes, 1999; Yin, 2009) interviews are one of the most effective techniques when using a case study method because they allow the researcher to understand “why” and “how” the things happened (Ying, 2009) and to study the phenomena under analysis by a descriptive and detailed explanation of experiences reported by the interviewees. Due to the scope of our study, a **semi-structured interview** was made and applied to the six managers. This type of interview allows the researcher to maintain the focus on the theme but, at the same time, it also ensures the necessary flexibility to get deeper into themes and ideas of the interviewee without being limited to the order of the script (Bloor and Wood., 2006; Yin., 2009). Then, the analyses of public information came up in order to complement the previous data collected. In this study, one **document** was analyzed: the websites of the companies in order to understand their history, internationalization strategy, evolution and countries in where they operate. Such information is important for the sample description of the six case studies. Moreover, direct observation was also a source of data collection used during the interviews. Managers' hesitations and long periods of time response, for instance, were analysed in order to complement the answers gathered.

The interview script (appendix II and III) was the same for the six managers. Some of the questions were made taking into consideration the findings in the literature. It was explained to participants that all information would be solely used for research purposes and their names as well as their company's names would remain confidential. The interviews had all practically the same duration, ranging from 1 hour and 15 minutes to 1 hour and 30 minutes conversations.

After the collection of data it became necessary to proceed to its treatment. Thus, a **content analysis** as a technique for data analysis was made. According to Bardin (2004) content analysis refers to a general set of techniques useful for analysing and understanding collections of text. Basically, a large amount of text is summarized into smaller sets, in order to be possible to understand the phenomena under investigation. As so many others research techniques, there are some steps in order to ensure the reliability of the treatment of data. The content analysis includes five steps: (1) *Organization's Analysis*, in which the documents to be analysed are selected; (2) *Codification*, that consist in the conversion of the original data in

order to isolate the essence of the content to be analysed; (3) *Categorization*, in which the data collected is divided into categories (4) *Inference*, which is a very inductive process, seeking to achieve causes through effects in a logical manner; and (5) *Treatment of the information*, that considers the positive and negative analysis of each category using the relative and/or absolute frequency (Bardin, 2004).

In this study, in the first phase, the selection of the cases to study was made and the construction of the interview's script was designed. The second phase consisted in the collection and analysis of the data gathered, by classifying the data into different categories. Finally, cross-case conclusions were made and cope with the theory derived from the literature. The data from each case was structured in tables in order to categorize and treat all data in a compared way. From all this analysis, it was possible to achieve the conclusions of the present thesis and explain why some expatriates failed and others did not. This meets with Yin's assertion (2009) regarding the fact that the case study method, when covering multiple cases, allows drawing a single set of conclusions derived from all the analysed cases.

2.2.1 Research Questions

The main goal of this research is to offer empirical evidence on expatriate failure in firms operating in Portugal. However, while expatriate success has reached a wide consensus, literature on expatriate failure offers a diffuse concept. Thus, we firstly aim to ascertain employers' understanding of expatriate failure. Secondly, it is relevant to learn about the number of failures in the firms because there is also a lack of consensus on the amount of failure in the literature. Finally, we intend to explore the reasons behind expatriate failure and ascertain if there is a common agreement on one or more factors that influence expatriate failure in the different companies. Despite this last goal consisting on the identification of factors, the process of identification is based on questioning the managers on "why" and "how" had some of their expatriates failed, in order to take lessons from unsuccessful cases. Therefore, three research questions attempted to obtain information on employers' understandings of expatriate failure. These research questions are summarized as three major topics:

Topic 1 – How do managers define an expatriate failure? Is the premature return perceived as a failure?

First, we collected information through an open question by asking “how do you define expatriate failure?” (appendix II; section III). Next, we provided a list of items related to expatriate failure and asked the managers to rank them in a scale from 1 (Less Significant) to 3 (More Significant)⁴ - (appendix III).

Topic 2 – Which is the number of failure of Portuguese expatriates? What is the metric used by managers to consider an expatriation process as a failure?

Second, managers were asked if they consider their expatriation processes successful and if they measure their expatriate failure rates. They were also asked about the metric used in order to consider an expatriate as a success or a failure (appendix II; section III).

Topic 3 – What are the reason/factors behind the failure of Portuguese expatriates?

Third, through an open question, managers were asked about the factors with influence on expatriate success (appendix II; section III). Next, we also provided a list of items, however, related to expatriate failure factors and asked the managers again to rank them in a scale from from 1 (Less Significant) to 8 (More Significant) - (appendix III). Finally, we collected more information by asking for the description of real expatriates' failure cases that occurred in their companies, including the reasons for these failures. The focus is to gather relevant and useful examples of expatriates that were not successful in order to identify common features between them with influence on the failure of the expatriates (appendix II; section III).

⁴ Because the answers gathered during the interviews are based on the knowledge and experiences of the managers, some other dimensions may be forgotten. By applying a closed and ranked question it is possible to overpass managers' limited perspective derived from their expatriate failure experiences and to corroborate the ranked answers with the answers gathered in the open question.

Table 2 - Case Studies Characteristics

Company's Code	Sector	# Number of Employees	#Number of Portuguese Expatriates	Initial data of Expatriation
C1	Hospitality	≅ 7 000	8	+/-1985
C2	Electricity and Energy	≅ 12 000	42	2000
C3	Consultancy - Accounting and Audit	≅ 55 000	8	2001
C4	Telecommunications	≅ 75 500	64	+/-1993
C5	Retail and Distribution	≅ 76 800	19	1997
C6	Banking	≅ 19 000	43	1990

Source: Information gathered through the interviews and Companies' websites/reports. The information presented refers to the year 2013)

2.3. The Internationalization of Portuguese Companies and Portugal's Culture

Portugal's market is facing a period of recession. In fact, it has not been easy for Portuguese companies to operate in a market within a falling consumption. The internationalization to new markets is the most common solution that Companies are adopting in order to escape to a small domestic market, weakened by an economic crisis (Diário Económico, Suplemento, 2013). According to the same source, although the majority of exports from Portugal go to European countries, it is also true that the exports and internationalization strategy for emergent countries has increased. According with INE⁵, Angola is the fourth country to which Portugal exports and China the tenth. Hence, in the current domestic market facing an undergoing economic return, the internationalization of Portuguese companies and enterprises is not only fundamental for the survival of those companies but also for the development and growth of the Portuguese economy. For this reason, nowadays, Portugal is a country characterized by the openness and search for new international markets, based on products, services and human resources. Naturally, this reality is leading to an increase in Portuguese expatriates' workforce to different countries around the world. Therefore, it becomes important to acknowledge Portugal's culture in order to recognize the factors that avoid an expatriate failure, namely because the organizational management practices are influenced by the culture of the home country (Martins, 2011). The understanding of Portugal's culture allows the managers to better manage employees in international assignments, namely

⁵ Data from 2012.

because it becomes easier to identify what employees value the most and what eases their adaptation. The Portuguese culture, according with Hofstede (1991) cultural dimensions, is characterized by a high power distance, collectivism, propensity towards femininity, high uncertainty avoidance and short-term orientation. A brief description of Portugal's culture, according to the Hofstede model is presented below:

- (a) *High Power Distance* – Portuguese people accept a hierarchical order in which everybody has a place and which needs no further justification.
- (b) *Collectivism* – In Portugal, people put the interest of the team/ group in the first place, which means that Portuguese employees are driven by group's achievements and appreciate team work.
- (c) *Femininity* – Portuguese people attribute more importance to their family and quality of life, rather than competitiveness, goals and achievement. Basically, they are much more oriented for the relationships than for the tasks.
- (d) *High Uncertainty Avoidance* – In Portugal, individuals have rigid codes of belief and behaviour. This means that Portuguese's employees seek and value security that is usually gotten by following the rules and procedures implemented in their companies.
- (e) *Short-Term Orientation* – In Portugal people are generally normative in their thinking. They appreciate traditions and focus on their quick and immediate results. They look to ensure stability, both in family and work dimensions, in short-term.

III – RESULTS (EMPIRICAL EVIDENCE)

Our empirical analysis includes three sections that explore the understandings, the figures, and causes of expatriate failure.

3.1. Empirical definition of expatriate failure

Table 3 reports the spontaneous answers to the question how the managers define expatriate failure:

Table 3 - Perceptions of HR Managers on the Expatriate Failure concept – Open Question

Company	Meaning of Expatriate Failure
C1	Inability to adjust to the Host Country Poor Performance Premature Return
C2	<i>Not able to provide a definition</i>
C3	Inability to adjust to the Host Country
C4	Inability to adjust to the Host Country Poor Performance
C5	Inability to adjust to the Host Country
C6	Poor Performance Interruption of the Expatriation Cycle

Source: Data collected through interviews

The answers gathered by the different managers were quite similar and so, easy to categorize. According with the results, four of the six managers defined expatriate failure as the inability of the expatriate to adjust (C1, C3, C4, C5). Adding to this, expatriate's poor performance was pointed out by three of the six case studies as the most common term to explain a failure (C1, C4, C6). According with these managers, if an expatriate does not achieve the goals that were initially proposed, he would be consider a failure. It is noteworthy to verify that the most common definition and measurement in terms of expatriate failure in the literature - the premature return - was only referred by one interviewee in the open question (C1) that explained: *“if after 6 months an expatriate wishes to come back home, this reflects a failure process. The best way to judge whether an expatriate was or not successful, would be for me to call to the expat in question and inform him of a new project in another place, instead of the opposite happening; this being the expat calling me from 3 to 3 months, asking me if I have another project for him already”*. Finally, one manager brought the expatriation cycle into the expatriate failure definition (C6). As this manager explained, if the expatriate cycle is

broken in any of its stages, there will be necessarily a failure that might damage the company, the expatriate or both: *“It’s very difficult to manage the expatriation cycle (...) some employees were identified because they showed to have the right competencies for a certain function, they have a good performance overseas and so they should get rewarded when they come back, but in fact, they are not (...) repatriation is the last phase of this cycle and one of the most difficult things to manage (...)”*.

Therefore, the overall **understanding of expatriate failure** made by managers includes inability to adjust; poor performance; premature return and interruption of some stage of the expatriation cycle.

Table 4 - Perceptions of HR Managers on the Expatriate Failure concept – Ranking

	C1	C2	C3	C4	C5	C6	Average
Inability to adjust to the Host Country	1	1	2	1	2	3	1,6
Poor performance	3	2	3	2	1	1	2
Premature Return	2	3	1	3	3	2	2,3

Source: Data collected through interviews

As it was said before, in the end of the interview, managers were asked to rank the main definitions found in the literature regarding the concept of expatriate failure in descending order of importance. The results (table 4) show that, on average, managers ranked the inability of the expatriate to adjust as the most important significant meaning for the term expatriate failure (with an average score of 1,6) and the premature return as the last (with an average score of 2,3). These answers are coincident with the answers gathered in the open question. Nevertheless, if the premature return had never been mentioned at the open question, during the ranking it assumed the first (C1) and second most adopted definition for expatriate failure (C6, C3) according with the referred managers.

3.2. Numbers on expatriate failures

The next interest of our study was to ascertain the exact number of expatriates that failed in their mission. Surprisingly, we denoted that the firms in the sample disregard the records on expatriate failure rates. However, all managers declared that those rates are very low. In fact, a failure in an international assignment is so rare to occur that companies do not feel the need to make this type of measurement (C1, C3, C4; C5, C6). Only one company (C2) tries to

measure expatriate success/failure through the realizations of two surveys. One of the surveys measures expatriates' satisfaction with general work and non-work conditions. The other survey measures expatriates' satisfaction with the services provided by the host country consultants, which provide direct services to help expatriates in more specific and technical issues, such as taxation. Despite none of the managers accounting for failure rates, all of them assumed expatriates' performance (C1; C3; C4; C5; C6) as the metric used to consider an expatriation process as a failure or a success. Once again, only C1 considered expatriate's premature return as a measure of failure.

The table below reports the type of measure used to control for expatriation failure:

Table 5 - Metrics of Expatriation Failure

Company	Metrics
C1	Performance Early Return
C2	Surveys
C3	Performance
C4	Performance
C5	Performance
C6	Performance

Source: Data collected through interviews

Although it was not possible to get quantitative expatriates' failure rate of any of the companies, managers were asked to describe examples regarding expatriate failure cases that occurred in their companies. This question is related with the third aim of the research that proposes to recognize the most common reasons why Portuguese expatriates fail, namely through the identification of common factors of failure between the different case studies. The examples of failure provided by managers are referred in table 6.

Table 6 - Examples of Expatriate Failure Cases

Company's Information				Analysis made through the description of the failure cases		
Company	N° of Cases Reported	Perception of Failure	Description of Expatriate Failure Cases	Causes of Failure	Consequence(s) of Failure	Other factors contributing for the Failure
C1	1	Yes	"We had a case of an expat that asked us to come back to Portugal in the end of two years, when it was supposed to come back in three (...) Culturally, he never adapted to Brazil. He also went alone, his family stayed in Portugal. At the end of two years, being alone is very long time"	Inability to Adjust	Voluntary Premature Return	Absence of Family Support
C2	3	No	"We had one expat that went to Brazil, but due to a health problem he had to come back (...)".	Health Problem	Voluntary Premature Return	N.A
		No	"(...) we had another one who the renewal of its contract as an expatriate was foreseen, but due family constraints regarding the host country the renewal was not made"	Family Constraints	Non-renewal of expatriate's contract	N.A
		No	"(...) and finally, I remember we had one that come back earlier because he embraced another project in our Company"	Transfer to another position within the Company	Involuntary Premature Return	N.A
C3	2	Yes	"We had an expat that did not adapt to Angola's culture and because of this he returned early" (...) Plus, he did not take his family with him"	Inability to Adjust	Voluntary Premature	Absence of Family's Support

		Yes	“We had another one that was not able to deliver the performance that we were expected, and because of that we had to bring him back before the time that was foreseen (...) He also did not take his family with him”	Poor Performance	Involuntary Premature Return	Absence of Family's Support
C4	2	Yes	“In the past years we had only two processes of expatriates that went wrong (...) One of them did not adapt to the culture. He went to Timor, without his family. He never adapted and eventually he decided to return (...)”	Inability to Adjust	Voluntary Premature	Absence of Family's Support
		Yes	“The other one embraced into a different function than the one he had here. Here it was a first line director, with a big team to manage. He went to Brazil alone, with no family, no team, no support, and he proved to be a less competent person than what he was in Portugal...he failed in achieving our company's business goals and we needed to bring him back”	Poor Performance	Involuntary Premature Return	Absence of Family Support
C5	3	No	“There were some cases in which expatriates decided to return early due to their spouses (...) I remember at least 3 cases like these (...) spouses used to complained about the country and about the fact that are always alone (...) find employment and children's education is also a concern for some of them (...)”	Inability of the Spouses to Adjust	Voluntary Premature Return	N.A
C6	2	No	“We have chosen someone to become an expatriate in Switzerland, but due to the bureaucracy of the country their status as an expatriate was deny (...)”	Host Country's Legislation	Expatriation Process deny	N.A

		No	“We had an expatriate in Timor that had a serious disease (...) in the country the hospitals do not have the minimum health conditions and so he had to come back (...)	Health Problem	Involuntary Premature Return	Host Country’s Hardship
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Source: Data collected through interviews

Table 7 - Summary of the Causes and Consequences derived from the Failures

Cause of Expatriate Failure	N° of Cases	Consequence of Expatriate Failure
Inability to Adjust	3	Voluntary Premature Return
Poor Performance	2	Involuntary Premature Return
Health Problem	2	Involuntary Premature Return
Spouses Inability to Adapt	1	Voluntary Premature Return
Transference to other position within the Company	1	Involuntary Premature Return
Family Constrains	1	Non-renewal of expatriate’s contract
Host Country’s Legislation	1	Expatriation Process deny

Source: Data collected through interviews

It was not an easy topic to get valuable responses from interviewees when asking them to think about examples of expatriates' failure. When this question was put, the interviewees always took a few minutes before being answering.⁶ However, after getting the description of the cases, it is possible to verify that the examples given by each one of the different managers matched with their own perceptions regarding the meaning of an expatriate failure. This means that the managers who defined expatriate failure as the inability of the expatriate to adjust in the open question, provided examples of expatriate that failed due to the lack of adjustment (C1, C3, C4). Some managers who previously defined expatriate failure as expatriate's poor performance gave examples of expatriates that didn't achieve the company's goals (C4). As explained in the methodology, this was one of the reasons managers were asked to rank the important definitions about the expatriate failure concept in descending order. This was intended to avoid their partial vision derived from their expatriate failure experiences and was asked at the end of the interview.

Table 6 presents the number of expatriates' failure cases reported, the managers' explanations for their failure as well as their perceptions considering the cases as failures or not. This last part might be seen as contradictory. It is legitimate to think that it doesn't make sense to ask examples of expatriate failure to managers and immediately afterwards ask them if they consider the case as a failure or not. However, this is one of the results of the present research, once some managers recognized certain cases of expatriates that had to return early due to "*justified and acceptable reasons*" (C2; C6). As a result of this they could not consider the expatriates missions' to have been successful or seen as failures. In the other hand, by taking into consideration the description of failures provided by managers, the same table makes a categorization about the causes, consequences and other factors contributing for the failures described according with managers' speech. By its turn, the table 7 (beneath table 6) is also presented in order to summarize and account the causes and consequences of the expatriate failure cases reported by the different managers.

Therefore, taking a wider look to the two tables (table 6 and 7) it is possible to take several conclusions. Firstly, it is important to understand why some managers did not consider some expatriates' missions that ended prematurely as a failure. When C2 was asked what the concept of expatriate failure meant the manager was not able to provide a definition (see table 3). As a result, the manager was asked for examples of expatriates who didn't achieve their

⁶ This reinforces the existence of low expatriate failure rates reported by the managers.

goals, had returned early or any other situation that could be considered a failure. After thinking for a while, C2 explained: *"We have had no failure cases. There are always people that want to return to Portugal, while others don't. But I do not consider those who want to go back as a failure (...) In fact there is no case that I consider as a failure. I do not know any expatriate that has had problems with his performance. I think we have made it possible to fit the expatriates in their host countries and thanks to that everything has gone well"*. Curiously and unconsciously, for the first time this manager straight lined the importance of the expatriate's adaptation in the host country as one of the factors that has allowed their expatriates to be succeeded. Even so, after this explanation, the manager provided three examples of situations (table 6) highlighting that *"they did not consider any of those cases as a failure, at all"*.

The C6 also provided two examples that were not a success *"once the expatriation process went wrong (...)"* but that *"due to its causes and the impossibility to blame the organization or the expatriate for the specific situations that happened (...)"* the manager couldn't consider them as a failure either. After providing these two examples, the manager appointed for the complexity of the term and measurement of a failure, once this is a concept that seems to always damage the organization and blame the expatriate: *"if an expatriate fulfills the period of his contract, achieves the company's goals but for any reason he didn't identify or feel motivated during the period that lived and work there, he may actually do not say anything about it, but this is also a failure"*. Thus, in this last two specific cases (C2 and C6) the premature return of the expatriates were related by what companies consider to be *"ultimate causes"* – expatriates' health diseases; bureaucracies of the host country and transfers to a position within the company. As a result of this, these cases are not perceived as a failure.

In addition, C5 also considers that their company did not have any expatriate failure cases. This means that the manager does not consider those expatriates who returned home earlier due to spouses' inability to adjust as a failure, namely because that situation *"(...) happened in the beginning of the international assignment, during the training period and so, these situations didn't bring setbacks for the organization neither for the expatriate's career"*.

In contrast, all the managers in the other cases studies perceived the cases reported as failed processes (C1, C3 and C4).

It should be noted that the greatest conclusions can be drawn from the last two tables (table 6 and 7). It is noteworthy to verify that the inability to adapt to the host country and expatriates' underperformance are what managers perceived as the main causes for an expatriate failure. However, it is even more interesting to verify that all the examples of failure ended up with the same consequence - the premature return of the expatriate – something that was instantaneously mentioned by the managers during the description of the failure cases. Additionally, in these cases – inability to adjust and poor performance - there is always at least one part that can be blame for the failure (the expatriate or the organization). Remember that in cases which expatriates need to come back due to health diseases, for instance, are not perceived as a failure by managers. Thus, it seems that in order to be considered an expatriate failure, one of the parts – the company or the expatriate - need to be blame for the consequences of their actions.

Moreover, it is possible to identify the existence of two different types of premature return: the *voluntary* and the *involuntary*. In the first one, the decision to return comes from the expatriate. This happened in two types of situations: (1) when expatriates did not adapt to the host country (C1; C3; C4); and (2) when the expatriates' spouses didn't adjust to the Host Country (C5). The involuntary premature return happened when the causes for the expatriates' failure were the existence of health problems, the transfer of the expatriate to another position within the company and the expatriate's poor performance (C3; C4; C6). In this last case, companies had the initiative to repatriate the expatriates at an earlier stage, because they consider a premature return "*less damage to the company that an employee unable to deliver high performance standards*" (C4). All these results explain and reinforce that managers do not perceive the premature return as an expatriate failure. Instead, they realize it as the consequence of other causes.

As a final point, there is a certain induction related with the countries in which Portuguese expatriates have failed. Managers identified three countries in which expatriates had fail - Brazil, Timor and Angola (C1; C3; C4). All this countries are Portugal's ex-colonies in which expatriates' inability to adjust led to a premature return to the home country.

3.3. Explaining expatriate failure

After the description of expatriate failure cases occurred in their companies, managers were asked about the main setbacks derived from these failures to their companies. They were also asked about the aspects that, in their opinion, went wrong with the expatriate failure cases reported and what could be improved in order to avoid the recurrence of those failures. The categorizations of managers' answers are presented in the table 8.

Table 8 - Retrospection of the Failure Cases Reported

Company	Setbacks to the Company derived from a failure	What went wrong in the expatriation process?	What could be improved?
C1	Replacement of the expatriate Repatriation earlier than the expected Solution under time pressure	Lack of motivation of the candidate since the beginning Absence of expatriate's support Error in the R&S	More careful in the selection of the candidate Support to the expatriate
C2	NA	NA	NA
C3	Replacement of the expatriate Extra costs Solution under time pressure	Lack of soft skills Lack of motivation Limitations of the R&S process	Soft Skills training
C4	Replacement of the expatriate Repatriation earlier than the expected	Underevaluation of the truly motivations of the candidates Limitations of the R&S process	NA
C5	Replacement of the expatriate	Lack of Support for the spouses	Support to expatriates' spouses
C6	Solution under time pressure	NA	NA

Source: Data collected through interviews

It is interesting to verify that the consequences derived from a failure, which main driver was the expatriate's premature return, are very similar in the different cases studies: the replacement of the expatriate, that is only possible with a "(...) *new and time consuming recruitment process*" (C1) was pointed out by four of the six cases studies (C1, C3, C4, C5). The need to take immediate steps and solutions in order to overcome the premature return was also mentioned by three of the six managers (C1, C3, C6). The repatriation of the expatriate at an earlier stage was also a concern (C1, C4). Finally, one manager mentioned the extra costs that this type of changes leads to (C3).

Subsequently, when managers were asked about the things that, in their opinion, went wrong with the failure expatriation processes it is possible to identify three main aspects underlying the answers of the majority of managers. These three aspects are related with **candidates' motivations** (C1, C3, C4), **support** (C1, C5) and **limitations of the R&S process** (C3, C4).

In relation to **candidate's motivations**, it is important that employees "*buy the idea to go abroad*" (C1). This manager explained that the expatriate who failed the international assignment revealed "*(...) resistance to go overseas since the beginning*". For this reason, the manager also assumed guilt in this failure because they considered the chosen candidate as an "*error of casting in the R&S process of the company*". According with the manager, the company should have taken into consideration the motivation of the employee. The C3 and C4 also referred the impact of expatriates' motivations on the failures reported. In addition, C3 defends that it should be provided more training to future expatriates in order to prepare them in terms of "*motivation and soft skills for what they are going to find*". According to the manager's opinion, "*(...) when people are submitted to pressure situations, each one has different ways of reacting (...)*" and this is something that "*will never be detected in a R&S process, even with simulations*" because "*people never know how they react under some specific circumstances until they really go overseas*". C4 also considers that in order to avoid a failure, employees need to be intrinsically motivated for the international experience: "*what went wrong with the two failure processes reported was the inability to evaluate the true motivations of those people*". Thus, it seems that the **limitations of the R&S process**, namely in concerning to detect the truly motivations of people as well as their reaction in times of great pressure, contribute for the selection of candidates that might not be the most suitable for the international assignment. Motivation is therefore assumed as an important factor in avoiding a failure.

Finally, it is concluded that **expatriates and their spouses should be supported** by the company of the home and host country. C1 mentioned that in addition to the lack of motivation transmitted by the expatriate who failed, another point to be taking into consideration "*(...) was the fact that he went alone*". Because of that, the manager considers that the company should have given more support to the expatriate in the host country. The C5 response also straight lined the importance of company's support. However, it emphasised

that companies should ensure not only support to the expatriate but also to their spouses, namely through the *"creation of a networking expatriates' spouses"*.⁷

Additionally, while some expatriates were able to provide improvement suggestions for future processes taking into consideration the factors that went wrong with the failures occurred in their companies, other managers shared the opinion that it is very difficult to improve expatriation processes (C2, C4, C6).

C6 explained that the failure's processes occurred were due to bureaucracies of the host country, health diseases or other situations considered as *"unpredictable"*, in which the Company *"can't do anything to avoid them"*. In C2 other concerns were raised, whilst the manager assumed that the company always try to improve, it was explained that the expatriation process *"(...) is like a never ending cycle (...) we will always have an expat that will have a question or is going to find himself in a specific position that only applies to him (...) sometimes the good sense is the best way to solve these type of situations (...)"*. C2 and C4 explained that there are a lot of policies and practices that their Companies already adopted in order to choose the best candidate and avoid their failure. Both managers indicated their performance appraisal system as the main tool used to identify potential expatriates. In both companies, employees are assessed throughout the year in terms of *"goals and competencies"*. By doing so, it is possible to identify *"high performers"* and *"high potentials"* for certain functions/positions.

C2 has a corporate website called *"Address Mobility"*. In this site people can show their willingness to embrace in an international mobility. C4 has two main sources for expatriates' recruitment: a direct approach or the Talent Management Program data base. As the manager explained, *"(...) if we need a person for a very specific function, I have to go to that specific department and approach that person directly"*. However, if the company is not recruiting for a very specific position the list of candidates emerged through the Talent Management Program. This program allows the collection of information about 1500 employees and it begins with a performance appraisal system. The employees who are two consecutive years above the appraisal's average are identified and included in the Talent Management Program. After the identification of these *"potentials"*, human resources managers start interviews and assessments in order to evaluate personality traits, skills and *"obtain the expectations and motivations of people"*. As a result of this process it is possible to get *"a lot of information"*

⁷ Remember that in this company, the expatriates' failure cases occurred due to the inability of spouses to adapt.

about people in an annually basis, namely potential people that show willingness to go abroad". Thus, despite these practises managers pointed out that "(...) the risk of failure will always happen" (C2) and "due to the demanding policies and practices already adopted (...) it is very difficult to improve the process" (C4).

Finally, through an open question, managers were asked about the factors that contribute to expatriates' success. In the end of the interview, they were asked to rank from 1 (Less Significance) to 8 (More Significant) a list of the main factors (also identified during the literature) with influence on an expatriate failure. By doing this, it was intended to verify if the perceived success factors were the same factors that, when missed or mismanaged have influence on a failure. Managers' answers are categorized in the table below:

Table 9 - Factors influencing Expatriate Success - Open question

Company	Perceived Success Factors
C1	Family's Support Employees Profile Support of Local Teams
C2	Family's Support Management of Expectations Economic Crises Expatriation Policies and Practices
C3	Management of Expectations Employees Profile Emotional Stability
C4	Family's Support Employees Profile Motivation Economic Crises
C5	Family's Support Management of Expectations Employees Profile Support of the Local Teams Pre-Departure Training
C6	Family's Support Remuneration Package Host Country's Hardship Economic Crisis Expatriation Policies and Practices

Source: Data collected through interviews

It is possible to verify that manager's answers are not very similar. However, this was something already expected, since we are dealing with perceptions and with six different people. Still, it is possible to identify a common line of thought between them - the **expatriate's family support** – which is explained as the possibility of the expatriate's family accompanies the expatriate in the international assignment. In other words, expatriates' families accompany them to the host country. Expatriate's family support was pointed out by five of the six case studied (C1; C2; C4; C5; C6) as one of the factors with greatest influence on expatriates' success.

Moreover, the managers who appointed the inability of the expatriate to adjust as one of the main meanings for a failure also mentioned the importance of assessing **employee's profile** in order to ensure his adaptability in the Host Country (C1; C3; C4; C5). As managers straight lined, technical skills are important, but not enough to send an employee overseas – employee's profile and past international experience are factors weighting in the selection of candidates in the different companies: *“I cannot send a 100% catholic employee for a Muslim country. Otherwise, that person is going to fail, not because he is not professionally able but because he will never be able to fit to that local culture”* (C1). Likewise C4 stated *“(…) our employees are placing in countries like Angola and Brazil and thus, in order to ensure their adaptation we need to assess their profile (…) we need to know if they are aware of the type of life of the country in question, if they already have been there, and how do they deal with unknown situations (...), we need to ensure a fit in both, technical and behavior dimensions”*. Similarly, C3 emphasized the importance to avoid or at least reduce the culture shock that employees are going to find, especially because his company's main destination is Angola and the *“majority of people are neither prepared or aware of culture differences”*.

In addition, the **management of expectations** between the company and the expatriate was also a success factor pointed out by three of the six managers (C2, C3, C5). The C3 explain that *“during the interviews companies must be very careful with candidate's expectations (...) in our situation, we try to give them the worst possible scenario so they can slow down their expectations regarding what they are going to find (...) namely because we are dealing with people that have never been to Africa and thus, the majority of them have a wrong idea about this reality”*. The **support of local teams** was also a success factor mentioned by two of the six companies (C1; C5) once these teams have an important role on *“expatriates' integration*

in the host country” (C5) and “should always be available for expatriates’ needs and difficulties, especially in the beginning of the international assignment” (C1).

Further to this question, some of the Managers appointed the factors that are contributing for the actual low expatriate failure rates, namely the **economic crisis** that Portugal is facing in the last years (C2; C4; C6). C6 explained that *“nowadays, employees are much more willing to submit themselves to certain scenarios even if they don’t like just because they need to (...) it’s better to go abroad instead of staying here. Another manager goes further: “We have a lot of expatriates that have gone overseas and they have now a type of life that they could never have here (...) they go with a good upgrade and the majority of countries for where they go have a lower cost of living when compared to Portugal (...) people are realizing this type of situations and consider it as a solution to increase their quality of life, especially in this period of crises that we are actually facing (C2)”.*

Another factor contributing to the success of Portuguese expatriates is related with the **quality of expatriation policies and practices** (C2, C6) that companies are adopting: *“There are a lot of policies and practices that companies already adopt when employees embrace in an international assignment, such as the possibility of taking their family with them, the accommodation and dislocations offered by the company, and the wage’s upgrade (...) there are a lot of expatriates that have gone abroad with their families and don’t want to come back, they are completely adapted and have a better life out there” (C2). C6 interestingly commented: “In some cases, expatriates and their families are such in a good situation overseas that take them out of there will be the truly problem for us!”*

As a result, macroeconomic factors and organization’s internal factors - reflected in effective policies and practices adopted by the companies on the expatriation processes⁸ are accounting for the low expatriates’ failure rates in Portugal.

Other factors of candidates’ internal nature, such as **motivation** (C4) and factors regarding company’s policies and practices, such as **pre-departure training** (C5) and **remuneration packages** (C6) were also cited by the referred managers, although with less number of citations.

⁸ The expatriation practices and policies adopted by the companies are not one of the aims of the present research and as a result of that will not be covered in this essay. However, references to some policies and practices gathered through the interviews can be made in order to justify and illustrate some manager’s answers.

Table 10 - Factors influencing Expatriate Failure - Ranking Question

	C1	C2	C3	C4	C5	C6	Average
Family Concerns	7	7	8	7	7	7	7,16
Inability of the Expatriate to Adjust	8	8	7	8	6	6	7,16
Dissatisfaction with Remuneration	1	2	2	0	8	4	2,83
Lack of Self-Confidence	2	3	4	0	5	1	2,5
Work did not meet the expectations	5	6	5	6	4	5	5,16
Do not have the right profile	6	5	6	5	2	3	4,5
Do not have the right technical competencies	4	6	1	0	3	2	2,66
Lack of Motivation	3	4	3	0	1	8	3,16

Source: Data collected through interviews

Taking a wider look to table 10 it is possible to verify that the main factors with influence on expatriate success were the same that, when missed or mismanaged, have greater influence on expatriate failure, according with managers' perceptions. In fact, "*expatriates inability to adjust*" and "*family constraints*" were the highest two ranked factors, both with the same average score – 7,16.

In addition, another factor considered by the managers with influence on expatriate failure was "*work did not meet the expectations*" with a 5,16 average score. Remember that this factor was also appointed by three of the six managers in the open question (table 9), which reinforces the importance of the expectations role not only for expatriates' success but also to avoid failure.

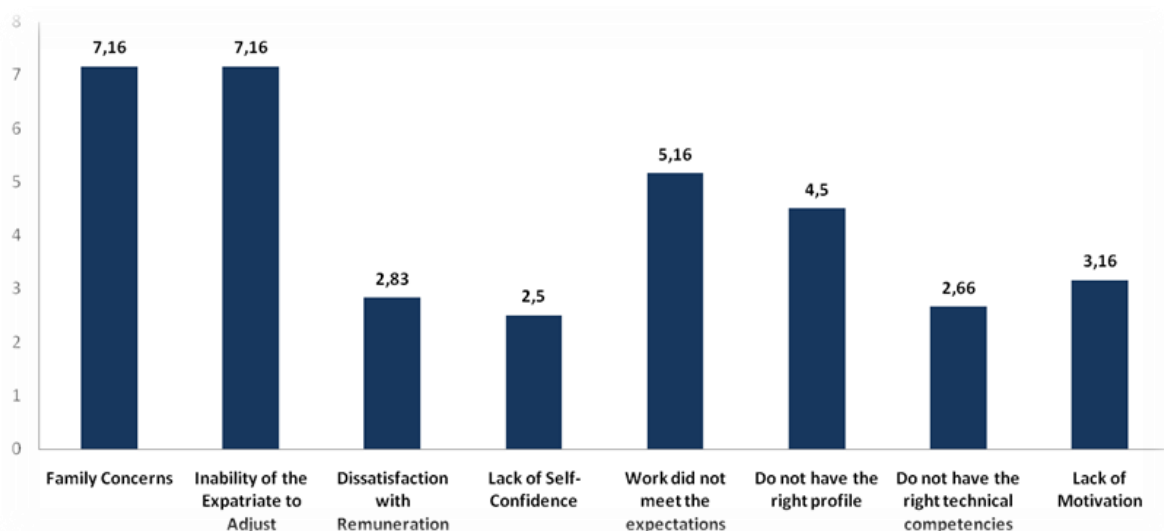
Another key factor appointed by the managers, with a 4,5 ranked score was "*expatriate not having the right profile*". This ranked also reinforces what was previously mentioned by managers about the importance of expatriate's profile. In fact, all companies stated that a candidate's profile is always assessed during their selection process and it often becomes the differentiating factor between the candidates.

Ranked fifth, comes the lack of motivation - with a 3,16 average score - something that managers consider very difficult to assess.

Finally, another important observation worthy to be taken into consideration is regarding expatriates’ remuneration packages. “*Dissatisfaction with remuneration*” had the third last quoted score (2.83). Only one company appointed the remuneration package of the expatriate has having influence on his failure (C6). In all the other cases studies, dissatisfaction with remuneration is one of the less remarkable factors that a manager appointed with influence on an expatriate failure. This is possibly due to most expatriates being well paid workers with allowances and benefits that other employees do not have such as free accommodation, vehicle, life insurance, health insurance, cost of living allowance and payment of the children’s school (all mentioned by C1; C2; C3; C4; C5; C6). As a result of this, managers seem to not believe that expatriates’ failures are caused due to dissatisfaction with their package.

Graphic 1 - Failure factors average results comparison graph

The following graphic reflects the average scores of each factor considering the six studied cases:



In regards to manager’s expatriation perceived factors, the results of this research led to the conclusion that **family’s support** was the most cited answer when managers were asked about the factors with major influence on expatriate success. **Family concerns** the most cited answer when they were asked to rank the factors with major influence on a failure.

Thus, if it can be argued that the factors with influence on an expatriate failure might not be the same factors that have influence on expatriate success, according with the perceptions and answers gathered by the different managers, it seems that expatriate's family support is both, an expatriate success factor and a factor avoiding expatriate's failure. In fact, the results presented in the table 6 shows us that five of the six case studies have, at least, one example about an expatriate that returned early due to family reasons (C1, C2, C3, C4, C5).

Furthermore, the main causes of expatriate failure were the inability of expatriates to adapt to the host country and expatriates' poor performance, as demonstrated by managers in relation to the expatriate failure concept. This seems a common variable in all the examples provided by managers' on these types of cases – the absence of the family's support. In fact, in all the expatriate failure examples provided by managers in which expatriates did not adapt to the host country or did not have a good performance (C1; C3; C4) it is possible to verify that expatriates went alone on the international assignment (table 6). Additionally, in one case studied (C5) the manager stated that are some expatriates that returned early due to the inability of the expatriate's spouses to adjust. Thus, this thesis' results suggest that expatriate's family support and inability of spouses/family to adjust might be a predictor for expatriates' adaptation to the host country as well the impact on their performance⁹.

As a result, this empirical analysis lead to the conclusion that family issues are the most relevant factors with influence on expatriate success as well as in avoiding its failure. This is further supported by the fact that only one of the six managers was not *"100% sure about the benefits of expatriates in taking their family with them to an international assignment"* (C3). Like the manager explained: *"this is a very subtle issue. We have no opinion on what is the best solution. There are advantages and disadvantages. If the expatriate goes alone, he will have more time to devote to work. However, if he misses his family he can suffer this family's effect which will damage his performance. I cannot say what is the best solution, each situation has pros and cons."* The manager explained that of the eight current expatriates working on the company, only one took his family with him to the host country. What is more interesting to verify is that this was the only manager to have reported difficulties in finding internal employees willing to embrace in international assignments: *"We asked to our 140 employees who would be willing to accept an international assignment. From the 140, I received 138 negative answers (...) the remaining two considered going overseas, however*

⁹ Please note that there is no cause-effect relationship between these results due to the methodology applied – a qualitative analysis.

after some weeks gave up the idea (...)". The manager was asked if he had an idea why were their employees so unwilling to go overseas. The first answer was spontaneous: *"They say they don't want to move abroad due to family reasons but my thought is that my employees are accommodated without great ambitions"*. With this statement it became even clearer the inflexibility of the company regarding family issues when managing an expatriation process. However, despite the explicit opinion of this manager regarding expatriates' family, it was recognized by the same that family constraints are the number one factor with influence on an expatriate failure (table 10).

In all the other cases studied (C1; C2; C4; C5; C6), the different managers frequently highlighted the importance of expatriate's family. Later and after a direct question whether the family would usually accompany the expatriate abroad, some managers answered with a ready and assertive "Yes" (C1; C2; C5) while other managers explained that every time the expatriate wants their family to go with him, the family goes. However, there might be several expatriates that do not take their family with them because they don't want to (C4; C6). C3 was the only manager who assumed that expatriate's family do not accompany the expatriate abroad. Thus, in contrast of what happens with C3, all the other managers held no difficulties to get internal employees willing to go to work overseas. The most assertive explanation related to this was given by C2. The manager explained that in his company there are a lot of employees looking for this type of external mobility and that family issues are not a constraint for their employees: *"Anytime that an expatriate wants the family to follow him, the family goes. This happens independently of the household's number"*. Further to, *"there was not any situation of an internal employee that hadn't accepted an international assignment. Normally, those people were already chosen to become expatriates because their potential and interest in an external mobility were previously identified"*.

Hence, taking into consideration the two different perspectives – companies that recognize the importance of expatriate's family and because of this include them in the expatriation process, comparing with the companies that dismiss this factor, the results of this study suggested that the inclusion of expatriates' family on expatriation processes do not only contribute to expatriates success, but also to an employees' decision to go work overseas. This means that when family is allowed to move with the expatriate abroad companies have a greater available workforce to embrace in international assignments. However again, due to the qualitative limitations of this study, there is no cause-effect relationship between these two variables. It is

completely possible that the decision to go abroad by a certain employee also depends on other factors, for example the host country itself and so forth. Nevertheless, this empirical analysis realized that the only company which revealed inflexibility regarding expatriate's family was also the only one manifesting problems and unwillingness from its employees to take advantage of international mobility opportunities.

Finally, once each of the managers demonstrated more awareness about the importance of expatriate's family in international assignments, it was also asked them if the inclusion of the expatriate's family is covered by the expatriation policy of their companies. Although some of the companies did not have yet an expatriation policy formally approved, it was noted as only a very short timeframe till approval (C1; C5). Both managers responded that the expatriate's family were going to be included in this policy.

Some managers explicitly referenced that in their expatriation processes, family is always involved. One explains: *"We had one colleague that went to Cuba. He was not married, but he had a girlfriend that lived with him, this was included in the expatriation process and she moved with him to Cuba"* because *"(...) there are people that can be a part of their family in a professional context, but the majority cannot"* and so *"(...) who I invite to go overseas, the family always go."* (C1). The manager also explained that *"what determines the success or failure of employees, in the majority of times, it's their family's stability and support"* because *"a person who is chosen to embrace in an international assignment is someone who has already showed to be technically able (...)"* and *"(...) so behaviours and family stability are the key for the final decision"*.

In all the other companies with expatriation policies (C2; C4; C6) some have expatriates' families included in the policy (C2) whilst the others do not (C4; C6). However, these last two managers explained that despite not being specifically included in the policy, the expatriate is always given the opportunity to take their family with him.

This led us yet to other situation also mentioned occasionally by the three managers (C2; C4; C6). Besides the existence of an expatriation policy, the majority of expatriation processes are usually managed case by case: *"We have policies and manuals defined, but expatriation processes deal lot with the components of people (...) some of them have families, while others do not (...) and we have to play with the money of course. We have to take policies into account when managing an expatriation process, but there is always room for negotiation"*

(C4). Similarly, “*expatriation processes are very flexible (...) it's difficult to follow the policies because the motivations of employees are different as well as what each one of them value the most (...) all this specificities need to be taking into account when manage a process like this (...)*” (C2).

Consequently, managers were asked if expatriates' family were included in the pre-departure training and if, during the international assignment, the company has initiatives to monitor the expatriate's partner, such as helping in finding a job or include them in activities. Five of the six companies answer with an assertive “No” to these answers, once they do not consider this procedure as something necessary (C1, C2, C3, C4, C6). Only C5 explained that expatriate's family has foreign language training altogether with the expatriate.

IV – DISCUSSION

First and foremost, the present research provided several results regarding the perceptions of human resources managers about the concept of expatriate failure. The collected data regarding the six case studies and together with the literature review improved the knowledge about effective expatriation processes, namely by identifying the greatest potential reason of failure in Portuguese expatriates – the absence of family's support. From this empirical study it is possible to verify that some dimensions presented in the literature regarding expatriate failure are also mentioned by Portuguese managers, who actually face and experience this issue in their daily basis. As we know, this research was proposed to develop 3 (three) major topics of discussion:

- Topic 1 - How do managers define an expatriate failure? Is the premature return perceived as a failure?
- Topic 2 - Which is the dimension of failure of Portuguese expatriates? What is the metric used by managers to consider an expatriation process as a failure?
- Topic 3 - What are the main factors with influence on the failure of Portuguese expatriates?

By crossing the two sources of information – literature and empiric – it is now possible to approach those topics, make conclusions and draw recommendations for managers and academics. The topics identified and approached through the interviews are addressed below.¹⁰

Discussion of the topics:

The results were clear in concerning to the existence of low expatriate failure rates, which corroborates Christensen and Harzing's ideas (2004). However, it is important to note that companies are not accounting the failure/success of their expatriates for two main reasons. The first one is due to the concept of expatriate failure being complex and diverse. The second reason is related with the fact that managers do not need to make this type of measurement, once they considered their expatriation processes, in large scale, to be successful. However,

¹⁰ It should be noted that the empirical results on this study should not be seen as universal truths, due to the methodology applied – a qualitative analysis.

this is still a topic of concern for managers that were asked to define what an expatriate failure meant to them. According with the interviewees' managers, this concept is mostly associated to four characteristics: inability to adjust; poor performance; voluntary premature return and interruption of some stage of the expatriation cycle. These definitions were quite similar with Caligiuri's (2000a) assertion regarding the three most common criteria when evaluating a failure: (1) cross-culture adjustment, (2) completion of the global assignment, and (3) performance on the global assignment.

The premature return was the less cited answer by managers when defining a failure. Therefore, the answers of the managers to the open and close questions are an indication that failures on expatriation processes are not associated by those with expats' premature return. Instead, the premature return is perceived as a consequence of a failure instead of a failure itself. This result is already supported by some authors. McEvoy and Parker (1995) for instance, suggest that "*cross-culture adjustment may be the antecedent of both, performance and completion of the assignment*" cited by Caligiuri, (2000: 62). Tung (1981) and Handler (1995) cited by Caligiuri et al., (1998) also consider important to study cross-culture adjustment once the lack of expatriate's adjustment is one of the most common reasons for premature return. Thus, although the majority of studies have been measured expatriate failure through premature return (see Christensen and Harzing, 2004 for a survey¹¹) our results corroborate the assertions already shared by some authors that a failure should not be measure by the early return of the expat (Christensen and Harzing, 2004; Brewster, 1997).

Our results provided us within (4) four different reasons to justify that premature return is not an adequate measure of expatriate failure. First, when managers were asked to define a failure, premature return was the less cited answer. Second, all the expatriate failure examples ended up with the premature return as a consequence of other causes – inability to adapt and poor performance mainly, which reinforces premature return as a consequence of a failure rather than a failure itself. Third, when expatriates deliver poor performance companies are the ones with the initiative to repatriate the expatriate at an earlier stage. Lastly, it was possible to verify situations of premature return that are not considered a failure by the managers such as diseases and transfers to another position within the company.

¹¹ Christensen and Harzing (2004) survey the literature that measures expatriate failure as the premature return from an international assignment through the number of citations.

Furthermore, two types of expatriate's premature return emerged: the voluntary and the involuntary. In the first one, the decision to return comes from the expatriate, who deliberately had the initiative of returning to the home country due to his inability to adjust. The involuntary premature return occurs when the reason for the expatriates' failure is their underperformance. Companies usually have initiative to repatriate the expatriate at an earlier stage, because they consider a premature return less damage to the company than an employee unable to deliver high performance standards. As it is possible to see, and against some assertions that were found in the literature that seem to always blame the expatriate for the early return (Christensen and Harzing, 2004) this study shows the existence of situations in which the company decided to repatriate the expatriates before the full time elapsed.

In concerning to barriers to expatriates success, our results are corroborated with the factors presented in the literature - inability of the expatriate to adjust and family concerns are recognized by managers as the two greatest factors with influence on a failure. Take into consideration the expatriate failure examples provided by the managers, it is possible to verify that the most two reasons that led to expatriates' failure in each one of the companies were, precisely, the expatriate inability to adjust and family concerns (table 6). Similarly, some authors found that the inability of the expatriate to live and work in the host country is one of the top reasons with influence on expatriate's premature return (Tung, 1981, Black and Gregersen, 1991; Black and Stephens, 1989; Shaffer et al., 1999; Haslberger and Stroh, 1992). The idea that expatriate's family provides support to the expatriate is also present in several studies (Caligiuri et al., 1998, Shaffer et al., 2001, Lazarova et al., 2010). These authors suggest that family's support can ease the cross-cultural adjustment of the expatriate and consequently influence his success. Our study reinforced these findings once in all the cases of expatriates' failure provided by managers about expatriates that didn't adapt or that had a poor performance were cases in which expatriates went alone, without their family.

Furthermore, if we take a look to the table regarding expatriate failure examples (table 6) it is noteworthy to observe that all companies had at least one example about an expatriate that returned early due to family constraints. This conclusion is also consistent with the most recently expatriate's global survey - the Brookfield GRS (2013) - that indicates family constraints as the number one cause that lead to the early return of expatriates. Concretely, this survey indicates that the top reasons for international assignments that are incomplete due to expatriate's premature return are family concerns, weighting 35% in relation to other

factors. Likewise, one company reported cases of expatriates that had returned early due to the inability of the spouse to adjust (C5). Both Tung (1981) and Black and Gregersen, (1991) found spouses inability to adjust to be the number one reason for expatriate's early return. These results gained even more support with other studies that found a correlation between spousal and expatriate adjustments (Shaffer and Harrison, 2001; Black and Stephens, 1989; Bhaskar-Shrinivas et al., 2005; Takeuchi, 2010) and thus, in expatriates outcomes such as job performance or job satisfaction, and completion of the international assignment.

Perhaps because managers have realized and understood the importance of these two factors, companies are each more likely to adopt practices and policies in order to facilitate the expatriate adjustment in the host country, as well as including the expatriate's family in the expatriation process. Because of this, some managers are even planning to adopt practices that *"actively help the expatriate spouse in finding a job"* (C1; C3).

Additionally, this study also suggests that if organizations include the family of the expatriate in the expatriation process they will not only have more successful expatriates but also an increased availability of the workforce willing to embrace in international assignments.

However, taking into account the importance of expatriate's family for expats success, it is important to indicate that some dimensions presented in the literature regarding expatriate's family were not found in our empirical analysis. Shaffer et al., (1999) and Vögel et al., (2008) said that cross-cultural training for expatriates and their spouses, whose own adjustment will likely be affected by culture novelty, is vital for the success of international assignments. Due to this statement, firms should adopt policies and practices in order to get expatriates and their spouses better prepare for the international assignment. These scholars defend that having a person in the firm that spouses could contact directly, offer employment assistance to spouses (e.g: help with work visas and subsidized career development activities) would allow companies to ease spouse's adjustment and consequently, the adjustment of their expatriates.

Our empirical results demonstrated that despite managers recognize the importance of family support for the success of the expatriate, they only ensure that family can follow the expatriate in the international assignment while providing the payment of some allowances (e.g: children's school, travel and accommodation etc). However, active policies in order to better prepare and support the family during the international assignment have not always taken place in organizations. Only one of the six companies (C6) includes the expatriate's family in

the pre-departure training, namely by offering foreign language training to expatriate's family. However, besides this training there are no more supportive programmes for expatriate's spouse. This lack of support can be an indicator of the inability of the spouses to adapt to the host country in this organization. All the other companies confirmed that expatriate's family in the training and pre-preparation of the expatriate was not included in their process, as they did not consider this as necessary.

By comparing this research with other researchers developed in a Portuguese context, it is possible to verify that some authors reached similar conclusions. According with a research developed by Martins (2011), Portuguese companies should provide supportive programmes in order to facilitate expatriates' culture adjustment in the host country. These programmes are important to ensure the success of an international assignment because they ease the expatriate's high levels of anxiety and uncertainty. Thus, they have a significant contribution in expatriates' adaptation to the host country. Other Portuguese research was conducted by Leal (2013). The author, by using a single case study concluded that in order to ensure the success of an international assignment companies cannot only be focused on the selection and training of the expatriates but also in the support given to their spouses as well as in efficient repatriation processes. Pinho (2012) also concluded that one of the factors that Portuguese companies should always ensure in order to achieve expatriates' success is the adaptation of the expatriates and their family. These statements seem to support a logical conclusion, once we take into consideration Portuguese culture. According to Hofstede (1980), Portuguese people are more devoted to relationships than tasks, and look to ensure stability, both in family and work dimensions, in the short-term at minimum.

Finally, from the empirical results gathered, there seems to be items that can be further explored in the literature. For this reason, our results open up avenues for further questioning that have not been explored by academics. It is quite interesting to verify that the countries where expatriates didn't adapt and, consequently, had returned prematurely, were ex-Portuguese colonies in which, theoretically, expatriate's cultural distance should be minor (Angola, Brazil and Timor). Although the nature of our analysis does not allow us to get definitive conclusions, the results presented in this study appoint for some difficulties in the adaptation of Portuguese expatriates in ex-colonies. Additionally, another potential aspect related to expatriate failure rates could be the impact of the economic crisis on the reduction of expatriate failure rates. Managers believe that macroeconomic factors have been

contributed for the actual low expatriate failure rates, and this is a subject not identified neither approached yet by the literature.

V - CONCLUSIONS

This study focused on expatriate failure in firms operating in a small and open economy. Empirical evidence achieved so far offered some interesting findings regarding expatriate failure processes on Portuguese multinationals. Empirical evidence from six Portuguese multinationals indicates that: (1) premature return is perceived as a consequence of other failures – expatriates' inability to adjust and/or expatriates' poor performance – and not as a failure itself; (2) all the examples of expatriate failures reported by managers ended up with the same consequence, the premature return, which reinforces the position of premature return as a consequence of a failure; (3) human resource managers assumed mismanagement of expatriation processes with impacts on failure rate, but disregard these cases of failures, (4) we identified two types of premature return: the voluntary, which occurs when expatriates have the initiative to return to the home country due to their inability to adjust, and the involuntary, when expatriates are not able to deliver a good performance and consequently, the company decides to repatriate the expatriate at an earlier stage; (5) given the small figures of failures, managers do not keep any account of expatriate failure rates and use performance rating to measure expatriate failure or success; (6) the economic downturn that Portugal is facing has played a significant role for lower expatriate failure rates; (7) Portuguese expatriates seem to have some difficulties in adapting to Portuguese ex-colonies; (8) family support is the major critical factor not only to avoid Portuguese expatriates' failure but also to ensure their success; and (9) organizations have an increased availability in their workforce to embrace in international assignments when they allow the family of the expatriates to follow them.

It should be stressed that family issues represent a common reason of expatriation failure in Portugal. This is a very crucial factor in societies like the Portuguese one where people tend to be an important social institution. In general, it is possible to assert that Portuguese multinationals have demonstrated to be aware of the complexity of international assignments in its several components, namely with the problems associated with expatriate failure. The six cases studied are adopting a more accurate and refine approach in which concerns to expatriation processes that are helping them to manage their expatriates in a more effectively matter. The majority of managers explained they have understood the factors that are more important to expatriates, namely the family, and include these factors into expatriation processes. Moreover, this study's results reinforce the usefulness of family for predicting

adjustment and performance. By doing so, it provides theoretical support for the relations between expatriate family support and expatriate effectiveness outcomes.

Additionally, whilst the characterization of expatriates was never the aim of the present investigation, it was interesting to observe during the interviews that managers always referred to male expatriates and never to female. This was easily understood during all the interviews, since managers always referred to “he/him/his” and never to “she/her/hers”.

On the basis of this study's findings, there are general recommendations for managers and researchers that can be made.

As a result of this essay aiming to create awareness on Portuguese expatriation processes and to open up avenues to future research on both, national and international context, it is suggested that this study should be further explored in order to be possible to have a better basis for generalization of the results found. Once expatriate failure may have different meanings according to the perspective from which is analyzed – organization or expatriates, it would be interesting to explore the meaning of this concept from the expatriates and expatriates point of view, in order to assess the perceptions of expatriates regarding this concept as well as to identify the main factors with major influence on expatriate failure according with the people who really experienced the international assignment.

Future research that could also be taken would be to apply the interviews of this thesis to the expatriates of the six cases studied (after a reformulation and adaptation of the interview to this new target). This would allow to identify differences in the perceptions of expatriates and managers about a failure and to make easier for the six different companies to improve the effectiveness of their expatriation processes.

This research led to the conclusion that is needed a wider definition for expatriate failure that goes beyond the premature return concept. The premature return is the consequence of an expatriate failure, rather than its definition. Thus, in one hand, future surveys and research should start to measure expatriate failure through its reasons instead of by its consequence. This will allow organizations to focus on the expatriate failure roots and to work towards the best policies and practices to ensure expatriate processes effectiveness.

The Brookfield GRS annual report has a great contribution to this subject, namely by providing reliable statistical information regarding attrition rates and premature return, while

considering its reasons. However, its results are not possible to be break down into nationality groups, which makes impossible to compare expatriate failure rates between countries and regions. Future research should turn this comparison possible in order to allow organizations to make an analysis on the policies and practices adopted in the countries with the lowest and highest expatriate failure rates. By doing so, it would be possible for organizations to gather the best practices, contextually defined, on expatriation processes. On the other hand, the premature return of the expatriates should be classified into two different types - involuntary or voluntary. This will allow academics and organizations to gather statistical information regarding the percentage of expatriates that return earlier by their own initiative or by the initiative of the company.

This research identified one factor that, apparently, is contributing for the low expatriate failure rates – the Portugal's economic crisis. There is no research in the literature that devoted to study the role of the economic crisis in the reduction of expatriation failure rates. Thus, additional research on assignment success considering the macroeconomic factors of the countries is strongly encouraged.

Finally, the results of this study showed that the countries where expatriates didn't adapt and consequently had return prematurely, were Portuguese ex-colonies in which theoretically expatriate's cultural distance should be minor (Angola, Brazil and Timor). This conclusion open up avenues for a future study related to expatriate failure in non-European countries, such as the case of Portuguese expatriates working in Portuguese ex-colonies.

This study found that for Portuguese expatriates, family support is both, a factor avoiding expatriate failure and a factor contributing for his success. It also suggests that the more on expatriates are supported by their family, the greater the likelihood that they will be cross-culturally adjusted. Therefore, companies must determine how they can improve the support of expatriate's family. Expatriates spouse's opportunities to gain employment or pursue educational programmes while on the overseas assignment are some practices that companies can start to offer. In addition, having a person in the firm that spouses can contact directly, provide assistance in the education of children and offer spouses' allowances are practices that increase expatriates' family adjustment.

In this study, expatriates' inability to adjust was the main cause identified by managers with influence on an expatriate failure. Some managers also mentioned the importance of

candidate's motivation to go to an international assignment in order to avoid his failure. Thus, managers should ensure that their R&S process ensures the evaluation not only of technical skills but also of the candidates' profile. Measures assessing employees' ability to deal with stress, ambiguity and open-mindedness as well as the candidate's motivations, should be part of the selection process of human resources managers.

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APPENDIXES

I - Expatriate Failure definitions by chronological (Christesen & Harzing, 2004)

II - Interviews Script for Managers

III - Interviews Script for Managers (Ranked Questions)

Appendix I

Expatriate Failure definitions by chronological (Christesen & Harzing, 2004)

Source	Premature end to assignment	Premature end to assignment, caused by a reason	Under-performance, or similar, during assignment	End to employment after repatriation	Repatriation problems
Henry 1965:17		[...] have been selection mistakes [...] have been sent home	[...] should have been sent home.		
Tung 1981:77		[...] recalled/dismissed because of inability to function effectively [...]			
Mendenhall & Oddou 1985:39	[...] premature return of expatriate managers.	Article implies premature return is caused by inability to adjust			
Mendenhall & Oddou 1988:78	[...] return prematurely from an overseas assignment [...]		[...] endure to the end of the assignment but find themselves ineffective in their jobs.		
Naumann 1992:499	[...] quit or transfer back to the US prior to completion of their expected foreign assignment			Expatriate turnover may also occur up to a year or more after repatriation [...]	
Fukuda & Chu 1994:38	[...] returning home prematurely from an assignment abroad.		[...] low productivity [...] ineffectiveness in adjusting to work and life abroad.		
Harzing 1995:457	[...] expatriates returning home before their assignment contract expires.		[...] expatriates who stay on their assignment but who fail to perform adequately [...]		Sometimes, returning home poses even larger problems than the foreign assignment itself.
Forster & Johnsen 1996:178	[...] premature returns from an IA (i.e. international assignment)		[...] sizeable minority of expatriates perform under par [...]		
Forster 1997:414		[...] return home before the agreed end of an IA, because of poor work performance and/or personal problems	[...] staff who are under-performing on IAs.	[...] 'poaching' of successful managers by other companies while they are abroad (column 2) or at the end of their IAs.	[...] negative outcomes of repatriation [...]
Harvey & Wiese, 1998:33	[...] fail to complete their assignments [...]		[...] of those that do complete their assignments, 30 to 50 percent are [...] ineffective or marginally effective [...]		
Harris & Brewster 1999:488	not just in terms of premature return home [...]		[...] but as under-performance		
Black & Gregersen 1999:53		[...] returned early because of job dissatisfaction or difficulties in adjusting to a foreign country.	Of those who stayed [...], nearly one-third did not perform up to the expectations [...].	[...] one-fourth of those who completed an assignment left their company within one year after repatriation	
Insch & Daniels 2002:39, 47	[...] depart their foreign assignments prematurely [...]		Others may not be successfully achieving their goals, but they stay and endure the assignments [...]		
Harzing 2002:128	[...] the expatriate returning home before his/her contractual period of employment abroad expires.				

Appendix II

Interviews Script for Managers

I - Identification

- 1.1. Company Name
- 1.2. Dimension (number of employees)
- 1.3. Sector
- 1.4. Starting date of expatriation
- 1.5. Country/Countries in which the Company operates
- 1.5. Manager's Positions (Interviewee position)

II - Expatriation Processes – An introduction

- 2.1. How many expatriates does your company have, in average, per year?
- 2.2. Which are the main difficulties in the management of expatriation processes?
- 2.3. Have you already experienced cases in which employees refused to embrace an international assignment? If yes, what were the reasons for that refusal?

III - Expatriate Failure

- 3.1. How do you define expatriate failure?
- 3.2. Do you consider your expatriation processes successful?
- 3.3. Does your company measure its expatriate failure rates? If yes, what is the metric used to consider a process as a success?
- 3.4. What are the main factors with influence on *expatriate success*?
- 3.5. Does your company have expatriate failure cases? If yes, please describe those failures
 - 3.5.1. What do you think it went wrong with those expatriate cases?
 - 3.5.2. What do you think it could be improved in order to avoid the recurrence of those cases?

IV - Expatriation's Policies and Practices

- 4.1. Does your company have an expatriation policy formally approved?
- 4.2. Please describe some of the factors that your expatriation policies and practices try to ensure on expatriation processes.

Appendix III

Interviews Script for Managers (Ranked Questions)

I - Consider the following definitions of expatriate failure. Please, classify them within a range from 1 to 3 accordingly to your own perception of the concept.

Inability of the Expatriate to Adjust

Poor Performance

Premature Return

II - Consider the following factors and classify them from 1 to 8 accordingly to their degree of importance for an expatriate failure.

Family Concerns

Inability of the Expatriate to Adjust

Dissatisfaction with Remuneration

Lack of Self-Confidence

Work did not meet the expectations

Do not have the right profile

Do not have the right technical competencies

Lack of Motivation