RESEARCH AND PRACTICE
IN HUMAN RESOURCE MANAGEMENT

Managing MNC Expatriates through Crises: A Challenge for International Human Resource Management

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ABSTRACT

International crises experienced by multinational corporations include both the premature return of expatriates due to failed assignments and the poor retention of returned expatriates due to failed repatriation. To reduce the direct and indirect costs inherent with expatriate failure, multinational corporations are striving to improve their capability to manage their expatriates before, during and after international assignments. This article highlights these issues and discusses the challenges for human resource professionals when managing expatriates. The results of the study presented in this paper suggest that the management of international human resources is increasingly being acknowledged as a major determinant of success or failure in international business. It concludes by proposing that a well-managed and proactive response to an international crisis may help an organisation retain experienced international employees.

INTRODUCTION

As organisations become globalised, there is an increasing challenge to use expatriates on international assignments to complete strategically critical tasks (Gregersen & Black 1996, Brewster 1998, Downes & Thomas 1999). Multinational corporations (MNCs) use expatriates, not only for corporate control and expertise reasons in vital global markets, but also to facilitate entry into new markets or to develop international management competencies (Bird & Dunbar 1991, Boyacigiller 1991, Rosenzweig 1994, Shaffer, Harrison & Gilley 1999, Forster 2000).

While it is recognised that Human Resource Management (HRM) problems are more complex in the international environment, there is also increased evidence to suggest that the management of international human resources is increasingly being acknowledged as a major determinant of success or failure in international business (Tung 1984, Dowling 1999, Hiltrop 1999). For renowned and established MNCs, failure to be able to communicate and coordinate their activities in international business has the potential to plunge them into a crisis. The crises confronting MNCs include failed assignments due to premature return of expatriates and the loss of their returned expatriates due to poor repatriation. These crises, due to poor expatriate management,

can, therefore, threaten the organisation's performance and capabilities in the international arena.

Hence, to avoid a crisis in expatriate management is threefold. The first challenge for international human resource is planning effectively for the selection of expatriates for overseas assignments. The second, return of expatriates has to be attended and the subsequent job assignment for returned expatriate in their home country is a priority for managerial attention. Essentially, the primary crisis management roles of international human resource (IHR) professionals are those of record custodian, crisis management team member, communicator, and contributing writer to the emergency plan (Williamson 1991). This multifaceted role of IHR includes providing professional counselling to help employees and their families to deal with the psychological problems associated with a hostage or an evacuation situation, to concentrate on the well-being of their workforce, but they also addressed compensation and benefits issues, reassignment issues, legal issues, health, safety, and security issues.

It is widely acknowledged in the relevant literature (Smith & Sipika 1993, Hickman & Crandall 1997, Coombs 2001) that the process of crisis management entails three main phases. These phases are conceptualised as (1) Preparedness, which is the period of preparing plans and procedures for addressing a crisis; (2) Responsiveness, or the actual dealing with the crisis; and (3) Recovery, during which the organisation returns to normal operations as quickly as possible. These three phases are considered as sequential phenomena in a continuous cycle so that the Recovery phase, which follows the Responsiveness phase, also precedes the Preparedness phase. In this paper, the Responsiveness of expatriate crisis management is delineated in an auto reflective narrative design that utilised the responses of 15 expatriate managers. The data provided by the managers are considered within the frameworks of the Recovery phase and the Preparedness phase to reinforce how corporate HRM policies and practices might facilitate better management of the expatriate crises.

Managing Expatriate Crises

International crises experienced by MNCs include premature return of their expatriates due to failed assignments and poor retention of their returned expatriates due to failed repatriation. Researchers have analysed the causes of failure in overseas assignments and have introduced Human Resource (HR) practices that would help organisations to select, develop, and retain competent expatriates (Oddou 1991, Arthur & Bennett 1995, Stroh, Gregersen & Black 1998, Hiltrop 1999, Riusala 2000, Varner 2002). Consequently, multinational corporations are striving to improve their capability in managing human resources internationally. Important features of these initiatives include (1) the nature and length of the planning for the selection and training of expatriates for overseas assignments, (2) the return of expatriate, and (3) the subsequent assigned work for these repatriates in the home country (Punnett & Ricks 1997, Anderson 2001, Lazarova 2001).

Failed Assignments due to Premature Return of Expatriates

A prominent concern in the international recruitment and selection literature is that of expatriate failure (Adler 1981, Mendenhall & Oddou 1991, Feldman & Tompson 1993, Harvey 1993, Riusala 2000). This expatriate failure becomes an international crisis for the MNC. Several studies have identified the reasons behind the failure. For instance, premature return of expatriates and the lack of cross-cultural adjustment by expatriates, their spouse or family are some identified features (Black & Gregersen 1991, Black 1992, Shaffer et al. 1999, Riusala 2000) as well as poor performance (Fieldman & Thomas 1992, Stening & Hammer 1992, Feldman & Tompson 1993, Hodgetts 1993, Naumann 1993, Clark, Grant & Heijltjes 2000) that can arise during an international assignment. Indeed, research conducted by Black and Gregersen (1997) indicates that 10 to 20 per cent of United States (U.S.) expatriates sent overseas return prematurely due to dissatisfaction with their job or the impact of culture shock. And one-third of those who stayed for

the duration did not perform satisfactory to the expectations of their organisations. Moreover, when an international assignment is not completed, necessitating the replacement of the expatriate (Bird & Dunbar 1991, Swaak 1995, Pucik & Saba 1998), the costs of failure to the MNCs are both direct and indirect. The direct cost includes salary, training costs, and travel and relocation expenses. The indirect cost could be a loss of market share, difficulties with host government and demands that parent country nationals be replaced with host country nationals (Dowling, Schuler & Welch 1994, Stone 1994, Forster 2000).

Expatriate failure is primarily caused by error in selection (Adler 1981, Tung 1981, Arthur & Bennet 1995, Harvey & Noviceivic 2001). Historically, the selection of expatriates has been based on technical competence (Katz & Seifer 1996), neglecting other important interpersonal factors of expatriates (Mendenhall, Dunbar & Oddou 1987, Suutari & Brewster 1998). For instance, Clarke and Hammer (1995) found that interpersonal skills assist in the cultural adjustment of the expatriate and his or her family is a managerial function worthy of greater consideration. A review of extant literature on expatriate selection identified other essential traits as predictors of expatriate success and these are addressed.

Nature of Planning: Expatriate Selection

Within the abundant research on expatriate managers, certain selection characteristics or traits have been identified as predictors of expatriate success. These include technical ability, managerial skills, cultural empathy, adaptability, diplomacy, language ability, positive attitude, emotional stability, maturity and adaptability of family. One of the earliest reports was provided by Tung (1987), who examined expatriate selection practices across 80 U.S. MNCs, and subsequently, identified four general categories which may contribute to expatriate success. These are broadly described as (1) technical competence on the job, (2) personality traits or relational abilities, (3) environmental variables, and (4) family situation. This is further supported by Ronen′s (1989) model that incorporates the dimensions of expatriate success identified by Tung (1981). Ronen (1989), describes five categories of attributes of success: (1) job factors, (2) relational dimensions, (3) motivational state (4) family situation, and (5) language skills. The five categories and their specific aspects are outlined in Table 1.

Table 1
Categories of Attributes of Expatriate Success

Job Factors	Relational Dimensions	Motivational State	Family Situation	Language Skills
Technical skills	Tolerance for ambiguity	Belief in the mission	Willingness of spouse to live abroad	Host country language
Familiarity with host country and headquarters operations	Behavioural flexibility	Congruence with career path	Adaptive and supportive spouse	Non verbal communication
Managerial skills	Non-judgementalism	Interest in overseas experience	Stable marriage	
Administrative competence	Cultural empathy and low ethnocentrism	Interest in specific host country culture		
	Interpersonal skills	Willingness to acquire new patterns of behavior and attitudes		

Source: Ronen, S. 1989, Training the International Assignee. Training and Career Development (1st ed), San Francisco: Goldstein.

Ronen (1989) identified these five selection attributes (Table 1) as contributing to greater expatriate success in international assignments as compared to the customary selection of expatriates based solely on technical abilities. This paper reports the findings of a study which examined the selection categories of fifteen organisations. This study employed Ronen's (1989) model as a template for the effective selection of expatriates.

Nature of Planning: Pre-departure Training

Once an employee has been selected, pre-departure training becomes the next critical step in attempting to ensure the expatriate's effectiveness and success abroad (Mendenhall et al. 1987). Career counselling for the spouse is becoming necessary because the dual career dilemma is becoming more important, especially with the increase of women in the workforce (Collins 1996). Given the difficulties of re-entry, expatriates and their families need help to readjust back into their home country. The two most important issues are (1) career planning and (2) 'reverse culture shock' (Hammer, Hart & Rogan 1998). To assist the expatriate and family to readapt to work and life in general and to help overcome reverse culture shock, re-entry training such as counselling workshops and career development consultations prove useful in the adjustment process (Sievers 1998).

Cross-cultural adjustment has been defined as "the degree of psychological comfort with various aspects of a host country" (Black & Gregersen 1991: 680). For expatriates unfamiliar with the customs, cultures and work habits of the local people, pre-departure training may be critical to their effectiveness and success in their overseas assignments (Mendenhall et al. 1987, Black 1992, Weech 2001). It is also important to include the family in these training programs. Extensive studies indicate that training is beneficial in reducing expatriates' perceived need to adjust (Deshpande & Viswesvaran 1991, Latta 1999).

A survey conducted by Windham International and the National Foreign Trade Council (1999), revealed that a large number of international assignments are turned down or interrupted because of spouse and family issues. The survey's respondents cited family adjustment (65%), spousal resistance (53%) and spouse's career (45%) as the most critical roadblocks to acceptance and success of international assignments. Substantial research (Harvey 1985, Black & Gregersen 1991, Bonache & Brewster 2001) specifies that if the expatriate's spouse and/or family members are having trouble adjusting abroad, the expatriate will have problems as well, including poor job performance, which could result in an early return from the overseas assignment.

Mendenhall et al. (1987) distinguish between three types of training, namely, (1) information giving approaches, which have a relatively low level of rigour; (2) affective approaches which address people's feelings as well as 'facts'; and (3) immersion approaches which are in-depth methods covering a broad range of topics and methods. These training programs are designed to improve relational skills which are crucial to effective performance in expatriate job assignments. Figure 1 illustrates the types of cross cultural training programs in ascending order of rigour.

Training is described as the process of altering employee behaviour and attitudes to increase the probability of goal attainment (Hodgetts 1993). As depicted in Figure 1, the provision of a more comprehensive (high rigour) cross culture training will increase the social support that the expatriate and family need (i.e., in country support). This intensive training can provide the encouragement and motivation to seek the social network and activities that will make the new stressors more bearable. For the expatriate, training can reduce many of the uncertainties associated with the new role.
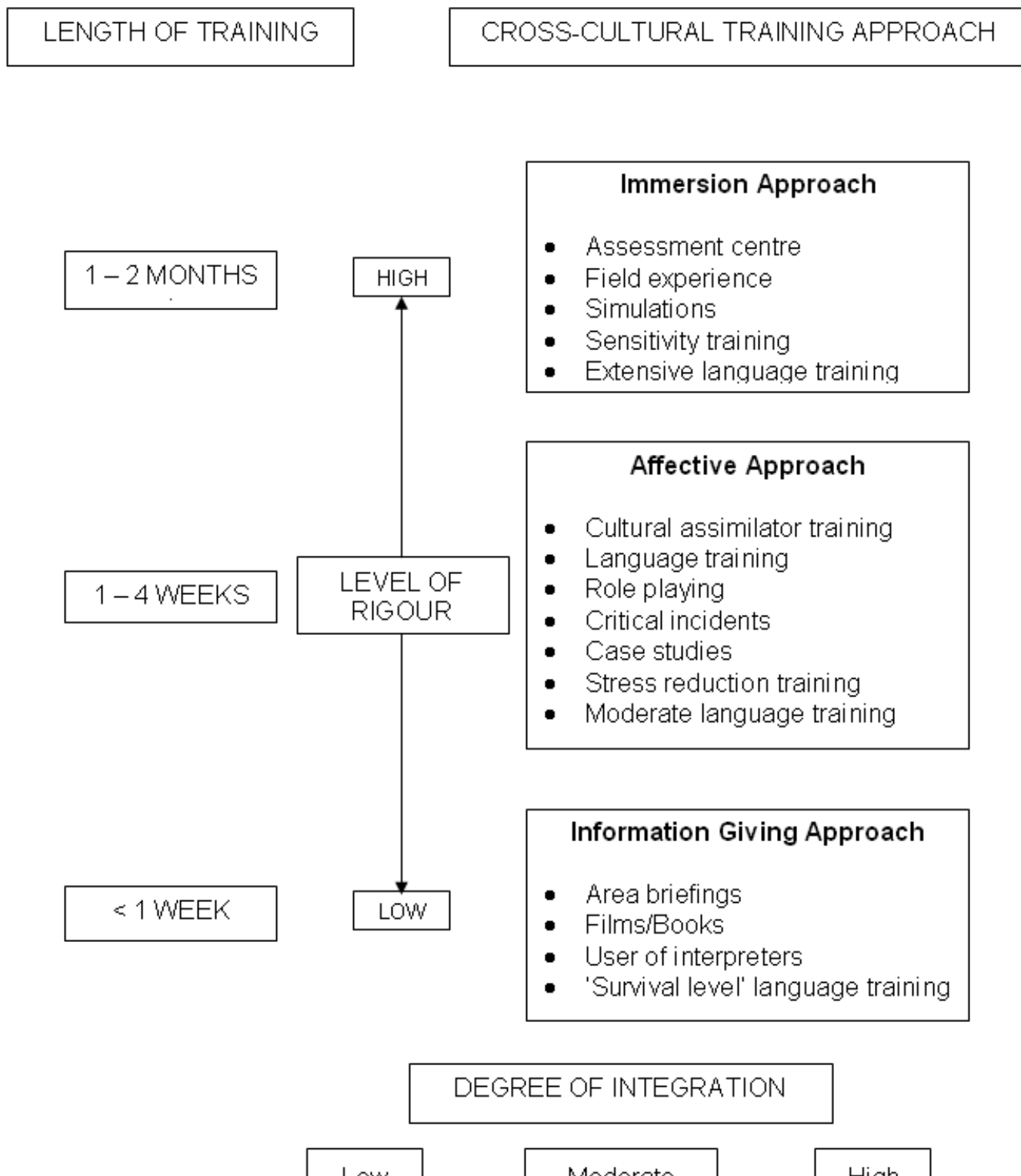
The Return of Expatriates

One of the hidden costs linked with expatriation is the inability to retain the expatriate upon return to the home country (Black & Gregersen 1997, Downes & Thomas 1999). Several research findings (Adler 1991, Solomon 1995; Hammer et al. 1998) indicate that 25 per cent of employees, who complete overseas assignments want to leave their company on their return. It has been

determined that the cost of losing a single repatriated employee has been estimated to be as high as $1.2 million (Black 1992, Shaffer et al. 1999, Forster 2000). Furthermore, evidence reported by Stroh et al. (1998) suggests organisations investing in international career development plans for their expatriates are more likely to have lower rates of repatriate turnover than those without such plans.

The preparedness phase of crisis management has relevance for better preparing expatriates for homecoming. Repatriation programs that assist in the development of organisational policy and job definition for repatriates combined with financial and career counselling and family orientation are initiatives that can be implemented as part of the overall process of career development and international human resource management (Black 1992, Swaak 1997, Tung 1998a, Hauser 1999). Failure to address repatriation problems may lead to disillusionment and high turnover (Mendenhall & Oddou 1991, Engen 1995, Tung 1998b, Haines & Saba 1999).

Figure 1
Pre-departure Training

LENGTH OF TRAINING	CROSS-CULTURAL TRAINING APPROACH

Immersion Approach

- Assessment centre
- Field experience
- Simulations
- Sensitivity training
- Extensive language training

| 1 – 2 MONTHS | HIGH |

Affective Approach

- Cultural assimilator training
- Language training
- Role playing
- Critical incidents
- Case studies
- Stress reduction training
- Moderate language training

| 1 – 4 WEEKS | LEVEL OF RIGOUR |

Information Giving Approach

- Area briefings
- Films/Books
- User of interpreters
- 'Survival level' language training

| < 1 WEEK | LOW |

DEGREE OF INTEGRATION

| Low | Moderate | High |

Length of Stay	1 month or less	2 – 12 months	1 –3 years

Source: Mendenhall, Dunbar & Oddou, 1987: 340.

Therefore, the challenge for organisations is to view repatriation as reverse expatriation, posing many of the same problems and warranting many of the same solutions (Swaak 1997).

Repatriation Agreement

Successful assignments begin with repatriation planning at the time of expatriation (Latta 1999). Several researchers (Frazee 1997, Allen & Alvarez 1998) suggested that at the onset of an overseas assignment a repatriation agreement should be determined between the employee and the employer in order to develop a repatriation process to help manage the employee′s goals and expectations. The elements of a repatriation agreement are very likely to include provision of a specified period of the assignment and a return incentive payment. On return, the expatriate should have an assurance of a job that is mutually acceptable (i.e., one equal to or better than the one held before leaving), and a provision of re-entry training combined with a repatriation program to support the repatriate and help the family readjust back into their home country. Relocation benefits such as arranging pre-repatriation home country ‘ house hunting′ , school registration and the shipment of personal goods, would further reduce the problems associated with a return home (Downes & Thomas 1997, Frazee 1997, Allen & Alvarez 1998, Barton & Bishko 1998, Hammer et al. 1998).

Repatriation Programs

According to Allen and Alvarez (1998), the effectiveness of a repatriation program rests on its ability to address the following questions: " Will I get a good job when I return? Will my career be enhanced and will my newly acquired skills and perspective be valued and well utilised in the home organisation?" (1998: 33). Repatriation programs which are likely to be based on knowledge acquired from the responsiveness phase of an organisational crisis, consist of activities that provide a comparable position or a promotion from the job held before repatriation and assistance for the employee and family in assimilating back into their home culture, these programs are crucial in demonstrating supportiveness to the returnees (Peltonen 1998). These repatriation strategies are likely to improve repatriation success rates by emphasising the commitment of the organisation to its expatriate staff (Allen & Alvarez 1998) and may encourage expatriates to feel that their best interests were a priority, leading to enhanced expatriate commitment to the parent firm. In addition, it helps to develop commitment to the new local work unit, thereby facilitating the retention of these strategic human resources (Black 1992).

The study reported in this paper, focused on the effective management of expatriates in their selection, preparation (nature and length of planning, expatriate agreement), support (repatriation agreement & programs) and repatriation. The qualitative approach was adopted to allow a richer generation of data and providing a closer analysis of issues from the company′ s perspectives.

METHODOLOGY

Participants and Site

The sample population of this research was drawn from 30 human resource managers or human resource representatives of corporations in Western Australia. The respondents interviewed consisted of nine HR managers, four HR specialists, one business service manager and one administration officer. Sixty per cent of the respondents were females. Using the guidelines provided by the Who′s Who of Australia (2001), large organisations were selected if they (1) had

revenue of greater than $4.4 million annually, (2) employed more than 44 people, (3) were publicly listed, and (4) incorporated two or more overseas branches. Industry sectors represented by these organisations were mining, energy, oil, gas, engineering, construction, electronics, computer, food, and retail, financial and manufacturing. Fifteen of the thirty companies responded positively to the request, indicating a response rate of 50 per cent. Companies that accepted came mainly from the resource sector such as mining, oil, gas, chemicals, energy, and engineering and diversified industries.

Procedure

The research procedure involved interviewing human resource managers or their representatives in 15 Western Australian companies, using a structured interview questionnaire which incorporated a checklist of expatriation and repatriation practices. These questions were based on the best practices identified through the literature search (e.g., pre-departure training approaches, selection criteria, re-entry success). This strategy enabled respondents to reflect on their experiences and observations of the appropriateness of HRM practices and polices to prepare and train expatriates for the responsiveness phase of organisational crises (i.e., expatriate management).

All potential respondents were initially sent a letter and a consent agreement requesting their participation and assuring them that all materials gathered from this study would be treated with the strictest confidence. No reference will be made to any organisation or individual and the information will be reported in an anonymous form.

The interview schedule explored three key issues on expatriate management: (1) expatriate selection process (i.e., criteria of successful selection), (2) expatriate preparation (i.e., pre-departure and cross culture training), and (3) repatriation career management/assistance (i.e., mentoring before, during and after the assignment; insuring a comparable job upon re-entry).

Measures

Responses to most questions were captured on a dichotomous Yes or No, checklist style answer format or as open-ended responses.

Analysis

The data from the interviews were content analysed. Once the interview data were collected, the tapes were transcribed and data coded. Coding involved the labelling of concepts from the text relevant to the research problem. The aim was to move from a set of unstructured data (participant′s accounts), to a collection of theoretical codes, concepts and interpretations. This approach dealt with the analysis of the broad ′ themes and content of participant′s accounts′.

Emergent themes were ranked by their frequency of mention, and finally, categorised into x fields. The computer package used for this qualitative analysis is QSR NUD*IST (Non-numerical Unstructured Data Indexing Searching and Theorising) (Weitzman & Miles 1995). The qualitative research process is known as the Grounded Approach (Denzin & Lincoln 1998).

RESULTS

The results of this study were summarised in three major sections which parallel the research foci of expatriate management. Responses to the asked questions will be reported in the three categories of (1) expatriate selection process, (2) expatriate preparation (pre-departure training), and (3) repatriation process.

Expatriate Selection Process

The results of the interviews indicate that the majority of the respondents (87%) still placed extreme importance on the technical competence of their expatriates, with (47%) acknowledging

personality traits, relational abilities and motivational state to be highly important criteria. Overall, the participating companies considered the family situation as moderately important, language skills as somewhat unimportant and prior expatriate experience as moderately unimportant. Therefore, the value of language skills and prior overseas experience was dismissed by respondents as relatively unimportant in the area of selection. However, it was noted that previous overseas experience reduced the need for orientation.

Responses from the interviews suggest that technical expertise and domestic track record are by far the two most dominant selection criteria of these participating firms. Factors such as language skills and international adaptability are of decreased significance. However, it is important to note that almost half of the respondents did place a high emphasis on the cultural and adaptability demands of offshore assignments. These results show that there is a growing recognition of the importance of human relational abilities. In fact, several respondents also acknowledged the greater impact of cross-national assignments on spouse and family than on expatriates.

With regards to the importance of family situation, the majority of the respondents still regarded family situation as only moderately important in the selection criterion. However, several respondents did acknowledge that the family situation was often responsible for the expatriate's inability to function effectively in a foreign environment.

Pre-departure Training

In terms of pre-departure training for expatriate assignments, the interviewees noted that although they consider training as essential, the high costs associated with expatriation reduced their capacity to provide formal training for expatriation. Respondents tended to believe that 'Training is important, but the cost benefit must be considered' (interviewee 6). Generally, most of the participants indicated that the level of pre-departure training provided depended very much on the cost and the benefit obtained from running such programs (interviewees 4, 15). As a result, they (i.e., interviewees 1, 4, 15) tend to rely on indirect forms of training, such as notes for guidance and the provision of an internet information web-site.

These respondents also noted that their companies considered other forms of preparation to be more cost effective. These preparatory initiatives included 'flying the employee and family over to location to check out if they would like to stay' (interviewee 3). The relevance of briefings and shadowing of current incumbents was also highlighted by the respondents. Indeed, these were more frequent practices than the provision of formal training programs. Interviewee four indicated that this company used the 'immersion approach' (Figure 1) to a limited extent for some countries where expatriates must be fluent in language. In this situation, they provide extensive training. This respondent added that the expertise of the expatriate also determines the type of training. For example, engineers and scientists would not receive the immersion approach, whilst sales and marketing would need this more intensive training. According to these respondents, certain jobs (e.g., marketing) require greater interpersonal relationship with host country nationals. In contrast, Tung (1988a) indicated it depends on other factor such as length of stay and degree of engagement. Most study participants agreed that the degree of expected interaction and similarity between the home and host cultures would predict the use of the cross-cultural training method by their employee and his/her family (interviewees 3, 8, 10). Interviewee two noted that training would be provided for all family members for countries that are culturally different. Some of the respondents (interviewees 3, 5) recognised that all families who could not speak the language would feel isolated, and, therefore, the language survival briefing should also include the wife and children of the expatriate. On the whole, most companies recognised the need for pre-departure training for their expatriate and family, but the extent and coverage are driven by the cost considerations. This primarily resulted in the adoption of less intensive training.

Repatriation

The study results show that the majority (87%) of the participating firms provided a specific length

of posting (average of 3 years). None of the identified companies' offered return incentive payments. The majority (87%) of the firms offered their expatriates a mutually acceptable position on their return from an assignment. Notably a large number (87%) of these companies did not provide any re-entry training for their returned expatriates, but did provide shipment of goods (87%), and relocation benefits (67%). The majority of the interviewees indicated that their companies provided repatriation programs but not in a formalised form.

Six of the companies (40%) promoted more than half of their expatriates on their return home. In terms of higher responsibility without promotion for their repatriates, only five companies offered their returned expatriates with such a position. These expatriates were only a small minority of the total sample. Moreover, generally, all companies reassigned their returned expatriates to a comparable or mutually acceptable position. Furthermore, it was acknowledged by eight respondents that in their firms (53%) nearly ten per cent of returning expatriates left the company within six months of their return homecoming.

The repatriation programs explored in this study consisted of ten effective strategies cited in the literature as facilitating expatriates' return to their home country (Black 1992, Fieldman & Thomas 1992, Frazee 1997, Allen & Alvarez 1998). Overall, the results indicated that the majority of companies provided no separate organisational unit for their repatriates, no facilitator to identify expatriate new knowledge, no event to welcome expatriate and family home, no post assignment interview, and no career-counselling workshop for expatriate and family. A majority of the companies admitted to the occasional use of a mentorship program, relocation benefits and the utilisation of repatriates as trainers. However, most companies did provide the shipment of personal goods and a HR service to support the career tracking of their expatriates. Many of the study respondents acknowledged the lack of adoption of the ten strategic repatriation programs explored in the research and stated that the reasons were due to cost, and were unaware of the existence of these repatriation programs. Some of the other respondents reported that the repatriation programs they offered were not formalised as a policy, but carried out as an ad hoc practice. It must be noted that when asked, the majority of these companies acknowledged that the spouse and the family readjustment were given little attention. The results of this study suggest that companies fail to plan for the repatriation of their expatriates.

Failed Assignments - Premature Return

Premature return refers to the return of expatriates before the completion of their international assignment due to several reasons: poor performance, job dissatisfaction, cultural shock and family dissatisfaction (Harvey 1985, McDonald 1993). The non-completion of the international assignment necessitates the replacement of the expatriate (Bird & Dunbar 1991). Consequently, the expatriate failure is costly and results in a crisis for the multinational corporation. The results of the study showed that the majority (67%) of the respondents admitted that up to five per cent of their expatriates returned prematurely from their assignments, six per cent acknowledged ten per cent expatriate failure and 13 per cent of the participating firms confirm that 25 per cent of their expatriates return prematurely.

A high proportion of the participating firms indicated that their expatriates generally return home for family reasons or personal reasons (interviewees 4, 6, 8). Family situation was suggested as playing the critical role in the premature return of expatriates. This was particularly noted by one respondent (interviewee 3) who reported that his company had conducted in depth studies on the adjustment of their expatriates' wives in a foreign environment because of the frequency of these expatriates themselves.

Failed Repatriation - Turnover Intention

More than half the respondents acknowledged that ten per cent of their expatriates are likely to leave the organisation within six months after their return from their overseas assignments. Some of the reasons cited for leaving included family reasons and feelings of loss of autonomy and

authority, loss of career direction and promotional opportunities, and a feeling that the company undervalues their international experience.

In terms of promotion for returned expatriates, six of the respondents indicated that nearly half of their returned expatriates were promoted to a senior post and 47 per cent of the respondents acknowledged that half of their returned expatriates were given a comparable position. Over 50 per cent of the participating organisations provided their returned expatriates with expanded responsibilities, without recognition of formal promotion.

DISCUSSION

The results of this study show that the key cause for the premature return of expatriates from overseas assignments was related to concerns that were articulated as family reasons. This evidence supports previous studies on expatriate failure indicating the inability of the spouse to adapt to the foreign environment as the frequent cause of the early return of the expatriate (Tung 1987, Forster 2000). Clearly, a major challenge for Australian companies is to develop institutional mechanisms that heighten priority on family adaptability in their selection criteria. A strong inference of the study evidence is that without appropriate arrangements there is a high likelihood of continuing expatriate failures.

This study also identified some significant issues for expatriate management. First, although the majority of organisations in this study recognised the importance of the role of spouse and family, this was not reflected in the corporations' selection process and repatriation policies and practices. This low consideration for an employee's spouse and family can be attributed to emphases by the multinationals to minimise costs in the HRM practices. Second, the study evidence confirms that in the selection process, the assessed Australian companies continue to rank technical competence as highly important. Several studies (Dowling et al. 1994, Selmer 2000, Harvey & Novicevic 2001), have concluded that technical competence in a field, although one of the dominant bases for selection, has very little to do with the ability to adapt to new cultures, deal effectively with co-workers, or to adopt foreign behavioural norms. Moreover, the value of language skills and prior overseas experience was dismissed by respondents as relatively unimportant in the area of selection, although, the respondents noted that previous overseas experience reduced the need for orientation. According to Coyle (1996), from a management perspective, once an employee has previous overseas experience, and is classified as a career expatriate, there is a tendency for companies to minimise the material and counselling support given before and after the move. In contrast, Black and Gregersen (1991) argued that the extent of previous experience does not necessarily seem to ensure success in current overseas assignment. Clearly, this study revealed that the involved Australian companies are gradually making a shift towards placing greater relevance on personality traits, relational abilities and motivational state.

Third, the dual career dilemma was acknowledged by respondents as an emerging problem that can affect career development plans for international employees. From the information given by the respondents it appears that most of their companies recognised the issue of the dual career couple, but are still unsure how to manage the problem in relevant HRM policies and practices. A previous study by Coyle (1996) echoed similar findings. In anticipation of such a trend continuing, it is suggested that organisations might be encourage to implement a career counselling program for the spouses of their expatriates.

Fourth, pre-departure training involving cross-cultural training has long been advocated as a means of facilitating effective cross-cultural transfer (Black & Mendenhall 1990), yet few firms endorse such HRM practices. The main reason appears to be that top management simply does not believe that the training is necessary or effective (Jackson 1995, Sanchez, Spector & Cooper 2000). Cross-cultural training programs are considered costly and time consuming. Lack of time was another reason why these companies failed to provide adequate pre-departure training and language training.

A fifth important finding of this study was evidence which suggests that the majority of firms do not

use comprehensive cross cultural training programs, This is especially in terms of the 'immersion' and 'affective' approaches. The value of providing a comprehensive training program for expatriates is demonstrated by the low turnover rates among management personnel in European and Japanese multinationals (Tung 1987). Previous studies revealed that other forms of preparation for example, briefings, shadowing and preliminary visits are more frequently used than formal training programs (Scullion 1991, Brewster & Pickard 1994) and considered by management to be cost-effective.

Finally, the results of the study indicated that although the participating organisations recognise repatriation as an important aspect of international human resource management, very few support systems were provided for their expatriates in coping with the many difficulties associated with re-entry, including culture shock and possible 'career stagnation'. Clearly, there were many gaps in the repatriation programs provided by Australian companies for their returned expatriates and there is a need to address this deficiency. These results, although small in size, support previous research conducted on American MNCs (Black 1992). It concludes that from the expatriate's perspective, problems associated with re-integration into the home country are loss of status, loss of autonomy, loss of career direction and promotional opportunities, and a feeling that the company undervalues their international experience. A salient message from this type of research is that a comprehensive examination of the Responsiveness Phase of a crisis (i.e., the existence of catastrophe or institutional disasters), unequivocally exposes the shortcomings of current HRM problems and practices that are being implemented to redress the crisis, and furthermore, this information provides for revisiting the Preparedness Phase, and even the Recovery Phase of inevitable future crises.

CONCLUSION

The evidence of the study reported in this paper reinforced a well-stated axiom that every firm should try to prevent a crisis from occurring. The crises confronting MNCs include failed assignments due to premature return of expatriates and the loss of their returned expatriates due to poor repatriation. Crises in expatriate management can substantially threaten a firm's capabilities and performance in the host country. Additionally, the high attrition rate of repatriates is costly and creates a net negative return on a firm's investment in human resource.

The results of the study indicated that repatriation must be planned carefully, from the time of expatriation when expatriate selection occurs. By putting in place suitable HR policies and procedures, an organisation can both, more efficiently manage human resource globally and encourage more employees to accept foreign transfers. This emphasis is a visible sign that the organisation supports expatriates and attempts to contribute to employee success in the overseas assignment. This Preparedness Phase will significantly increase the probability of successfully managing expatriate crisis situations because responsibilities and liabilities are clarified before the crisis happens. A well-managed and proactive response (Recovery and Preparedness Phases) to an expatriate management crisis may help a company retain experienced international employees and reduce the likelihood of public relations and legal problems in host country.

AUTHOR

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