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Empirical Study on Why Expatriates Fail in Different Environments: Case from Workers Working in Muslim Environment

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Abstract- Over the last few decades, the global business environment has been changing rapidly, especially after the computer revolution. The world is now a global village. Apart from technological advances, the successful completion of a project often depends upon HR activities. This study is conducted to compare the Muslim culture and Western culture in the light of the experience of expatriates. Many expatriates fail in their international assignments in Muslim countries. Research will find out why, in spite of training, expatriates are failing in international assignments. 350 Questionnaires were distributed among workers; 235 questionnaires are validated. These workers are from different countries, especially western countries and working or have worked in different Muslim countries e.g. Pakistan, Turkey, Saudi Arabia, and Afghanistan. The research results are limited to a few Muslim countries and may not give an overall picture of the Muslim world. It has been observed in the results that expatriates failure occurred because of cultural reasons. The expatriates and their families are facing cultural problems. In spite of training, a lack of essential knowledge about Muslims is missing in few expatriates.

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Empirical Study on Why Expatriates Fail in Different Environments: Case from Workers Working in Muslim Environment

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Abstract- Over the last few decades, the global business environment has been changing rapidly, especially after the computer revolution. The world is now a global village. Apart from technological advances, the successful completion of a project often depends upon HR activities. This study is conducted to compare the Muslim culture and Western culture in the light of the experience of expatriates. Many expatriates fail in their international assignments in Muslim countries. Research will find out why, in spite of training, expatriates are failing in international assignments. 350 Questionnaires were distributed among workers; 235 questionnaires are validated. These workers are from different countries, especially western countries and working or have worked in different Muslim countries e.g. Pakistan, Turkey, Saudi Arabia, and Afghanistan. The research results are limited to a few Muslim countries and may not give an overall picture of the Muslim world. It has been observed in the results that expatriates failure occurred because of cultural reasons. The expatriates and their families are facing cultural problems. In spite of training, a lack of essential knowledge about Muslims is missing in few expatriates.

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I. INTRODUCTION

Over the last few years, multinational companies have greatly increased their HR activities. An up-to-date HR department can make a big difference in an organization. Complete knowledge of the employee, their background and other relevant information is important for multinational organizations. Human resource is a key factor to differentiate, in terms of competitive advantage one organization from another.

It is observed that the internal and external environment of the organizations plays an important role in the success of the project including both organizational culture and national culture. Expatriates working in Muslim countries are facing the settlement problems, family problems, childcare problems, and cultural problems for the expatriate and his family etc. Assignments often fail not because of lack of technology but because of different environment for the employee and their family. Limited research is done on the topic

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“why the expatriates fail in their international assignments”. The greatest research that has ever been done in this area was done by Hofstede. The differences between East and West, mentioned by Hofstede in his research, are the key factors.

In this research the focus is on the Muslim countries in the Middle East. In this research not all Muslim countries are discussed. The expatriate focus is mainly on the workers working in different Muslim countries, but British, American and European and Chinese expatriates are discussed. The discussion is on cultural problems faced by individuals on international assignments within the office and outside the office. The discussion also includes the expatriate's family, as they are indirectly involved but have a strong influence on the assignment. The cultural problems of the spouse and children are also discussed briefly.

II. OBJECTIVES OF STUDY

Objective of the study is to find out the factors those are related with the failure of expatriate. Due to large expansion of business and more globalized world, organizations have to send their employees in the foreign countries for specific task and time period. Expatriates have to face some serious challenges in Muslim countries and at the end they have to quit their job. There are different factors those have impact on the success of expatriates. Study will identify these factors.

III. LITERATURE REVIEW

What is an expatriate? A person who is legally residing in such a country where he/she has not born and up bring on temporary or permanent basis. It is a Latin word, which has meaning (out of country). Expatriate have to work in different countries, other than their homeland. But the domestic workers don't have to move across national boundaries. In other words, an employee who is living in foreign country on temporary basis is called expatriate. Some organizations call such employees “International assignees”. Expatriation has been viewed historically as the process of moving from the parent company or headquarters to foreign subsidiaries or “overseas operations”. In simple words, expatriation is moving from one country to another country whilst remaining in the employment of the same

firm. (Actually a lot of expats (the majority?) do NOT work for the same company as at home – they are often working directly for a foreign company. You may want to mention this.)

The movement of employees from one country to another country is essential for multinational companies. When a multinational company launches operations within another country and opens branches in the new country, it needs to send someone from the headquarters of the parent country to control operations and effect technology transfer. With the passage of time, the expat trains up managers in the host country, enabling the expatriate to return to headquarters. Expatriates staff are used to strengthen the skill levels within the international subsidiaries. The use of expatriate staff is extensive during the initial stages of foreign operations, in order to accomplish technology transfer, including production and business startup. The number of expatriates will decline as the firm's local managers and technical staff assimilates and utilize this knowledge. Although it is clear in that PCNs (Parent Country Nationals) are always expatriates, it is often overlooked that TCNs (Third Country Nationals) are also expatriates, as are HCNs (Host Country Nationals) who are transferred into parent country operation outside their home country. There is a difference between expatriates and immigrant. Immigrant consider themselves as a part of country while expatriates are appointed in third country for the specific time and task, after the accomplishment of the task, they have to move other place so by this they are perform their duties and responsibilities. Here question is that why is it necessary to send expatriate? Expatriates have to adjust in new environment (Friedman Dyke & Murphy, 2009).

In recent business world, organizations are becoming more global and have to face some serious challenges regarding expansion. It is not an easy task for an organization to send expatriates abroad. Certainly, there are ebbs and flows associated with the number of staff that is moved internationally. As the organization increases in size so the number of expatriates is also likely to increase. There are three key reasons for transferring staff to various forms of international assignments. Organization should provide its support, because it can play key role (Kraimer et al., 2001). When expatriates retain their job, mean not quit then they are called successful expatriates. But according to Black & Gregersen, (1991) when expatriates complete short term assignment and go back to their country, in such cases, assessment criteria is different. Expatriates ability to adjust in a foreign country is more than psychological well-being (Aryee & Stone, 1996). According to Huang et al., (2005), there are five personality factors; those have strong relation with the expatriate's adjustment in the foreign countries.

Carlson (2005) study focus on expatriates training before going to special task. (Peng, 2009)

emphasis that failure rate is high so there is still need to further study. (Ward & Kennedy, 1992) has defined the concept of sociocultural adjustment.

Position filling: The organization has a need and, depending upon the type of position and the level involved, will either employ someone locally or transfer a suitable staff member. In multinational companies, employees who have worked in headquarters have more knowledge about how to operate within the company. Another reason for sending someone from headquarters will be to fill an empty position.

The global survey by the consulting firm GMAC Global Relocation Services asked respondents to indicate their primary objectives for international assignments. The most common reason was to fill a skills gap, followed by the launch of a new endeavor, and also technology transfer. Likewise, Wong's study of two Japanese department stores in Hong Kong found that short-term job filling was the main reason for using expatriate staff rather than for long-term development and socializing of individuals.

Management Development: Training and development play important role in the success of organization. So the employees have to move to different place for the enhancement of skills. Sometimes, staff from headquarters moved to subsidiary operations or subsidiary staff transferring into the parent operations or to other subsidiary operations. Assignments may be for varying lengths of time and may involve project work in addition to a trainee position. The perceived link between international experience and career development can be the motive for staff to agree to such transfers.

Organizational Development: Here, strategic objectives of the operation come into play:

- The need for control
- The transfer of knowledge
- Competence, procedures and practices into various locations
- To exploit global market opportunities

IV. WHAT DO WE MEAN BY EXPATRIATE FAILURE?

The prominent issue in the international assignment is "Expatriate Failure", which may be defined as "premature return of an expatriate" (return to the home country before completing the assignment). During the past 20 years, many articles have been published on the success and failure of expatriates (Tung; 1998, Caligiuri, 1997; Shay and Tracey, 1997; Harzing, 1995; Foster, 1992; Tung, 1981, 1982 and 1988; Mendenhall and Oddou, 1991; Torbiorn, 1982). The majority of these focused on expatriates from the United States because American multinationals were dominant in international business.

V. RESEARCH METHODOLOGY

There is a big difference between the Muslims and Western culture, this gap creates problems for multinational companies. Multinational companies' expatriates are continuously failing in their international assignments in spite of good training and spending a huge amount of money on them.

The research question is "In spite of training, Why Western expatriates and their families are facing cultural problems and failing in their international assignments in Muslim countries?" Expatriates from western countries are failing in their international assignments due to various reasons. This research is an attempted to make the multinational companies aware of the differences between Muslim culture and Western culture. Due to this reason the gap between Muslims and Western increases in every aspect of life. This research is an attempt to find the facts. This attempt is an academic research. Cohen and Manion define

research as "Research is a combination of both experience and reasoning and must be regarded as the most successful approach to the discovery of truth". (1994-1993).

In this research qualitative method is used. Data is collected through various means. There are two types of data, which is used in this research, first one is primary and second one is secondary data. Secondary data in this research is collected from libraries and internet. The sample used in this research are the group of people who have the experience of European, American, Canadian and Australian life and also the experience of the Muslim country. The sample is distributed into parts. Some are interviewed and questionnaires are sent to some of them.

Valid Sample size in this study is 235. Data is collected by distribution of questionnaires. More than 350 questionnaires were distributed among the sample size but correctly answered questionnaires are 235.

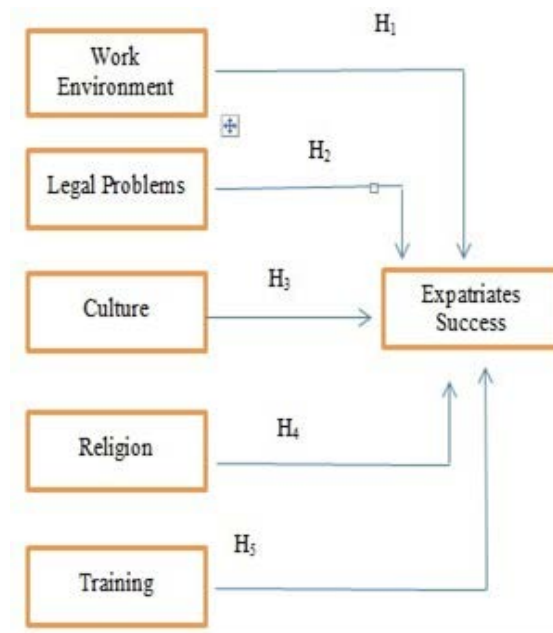


Figure 1 : Conceptual Framework

All hypothesis H1, H2, H3, H4 and H5 were tested through multivariable linear regression analysis to examine their effect on dependent variable i.e. Expatriates Success.

- H1 test work environment towards the dependent variable, expatriates success.
- H2 examines whether legal problems have impact on expatriates success or not.
- H3 examines the impact of culture on expatriate's success that how culture has a impact on the expatriates success
- H4 examines the impact of religion on the expatriate's success

- H5 examines the relation of training and, expatriates success.

VI. FINDINGS AND DISCUSSION

The questionnaires were sent to 350 persons. 235 questionnaires were received and analyzed in this research. The questionnaire was sent through post, through email, by hand and questions were asked by telephone or face to face interview. The people who filled in the questionnaires include professionals who have spent their time in Pakistan, Afghanistan, Iran, Bangladesh, KSA, and Middle East. They were from different nationalities UK, Canada and America,

Chinese, Japanese and UK. They all belonged to different religions.

Table 1 : Frequency distributions according to Gender

Gender	Frequency	Percentage	Cumulative Percentage
Male	170	72.34%	72.35%
Female	65	27.65%	100%
Total	235	100%	

Table 2 : Frequency distributions according to Gender

Different age groups	Frequency	Percent	Cumulative Percent
Age 18-27	52	21.66%	21.66%
Age 28-37	78	32.5%	54.16%
Age 38-47	54	22.5%	76.66%
Age 48-57	37	15.41%	92.07%
Age 58 -67	14	7.91%	100.0%
TOTAL	235	100.0%	

For hypothesis testing, data was collected from 235 participants, 72.34 % were male and 27.65% were female, those participated in this study. Most of the population was between 28-37 years old.

Table 3 : KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.733
Bartlett's Test of Sphericity	Approx. Chi-Square	32719.329
	df	1573
	Sig.	.000

Table 4 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.719 ^a	.506	.500	.59247

Table 5 : Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.317	.242		1.441	.128
WE	.416	.039	.374	9.865	.000
LP	.256	.023	.371	10.675	.000
CU	.101	.022	.121	4.425	.001
RE	.182	.015	.193	3.448	.020
TR	.221	.031	.129	3.179	.001

It has been observed in the research that positive answer came from the British and European expatriates. The expatriates are happy to work in UAE, Bahrain, Turkey and all the countries, those are called modern Muslim countries. When a question was asked from expatriates, are you willing to work in war zone Muslim countries? The answer was negative. In Saudi Arabia the Expatriates were not willing to work. There was negative response received from Iraq, Iran, Afghanistan, Palestine, Syria and Lebanon.

About the security, expatriates feel secure in modern Muslim countries, but complete negative response for the war zone Muslim countries and low percentage for strict Muslim countries. This security level is going down with the passage of time. Language is one the biggest problem expatriates are facing in Arab countries. The top level management like managers and executives communicate in English but the lower level staffs tend to communicate in Urdu, Hindi, Pashto and other languages. Arabic is not included in lower staff languages because Arabs don't work as laborer's. It has been discussed in the previous chapter that mostly the lower level staff include people from Pakistan, Iran and Philippines. This communication gap is filled by the engineers and managers from India and Pakistan.

The knowledge and experience of the British expatriates is always appreciated in the Muslim countries. Arabs respect their ideas and plans they input in order to complete their project. About the inter marriage between Muslims and non-Muslims there were mixed ideas which came up. The Muslim expatriates, who filled the research questionnaires, said no to this question. The reason is that it is not allowed in Islam and they are aware of the fact. The expatriates who were non-Muslims answered in Yes, No and slightly possible. Legal problems also ranked high after work environment, so we can say that these two factors have great influence on the failure of expatriates.

VII. CONCLUSION

It has been observed from the literature review that expatriates failure due to family reasons are very high especially in Muslim countries. The failure rate is low in Britain because in Britain it is a part of the job to spend a few years in International assignments. In spite of training, a lack of essential knowledge about Muslims is missing in few expatriates.

The above statements are proved from the results of the questionnaires. Language problems are very high, the non-Muslims in the research sample are not aware of legal changes in Ramadan & Moharram, and many of Western born spouses is not happy in spite of them being Muslims. Because they are living in Europe from long time and it is very hard for them to adopt culture in Muslim countries like other expatriates. Expatriates do not have a good knowledge of Muslim culture before going on International assignments. That

is the reason they have to go through the training. The training department trains expatriates on reward package, tax, weather, clothing, schooling and culture. The trainer is mostly from the parent country. The trainer gets all the information through books and the internet. There is more stress on other issues from trainer as well as expatriate, like reward package, tax, housing, weather and schools. Expatriates realize later that culture is also an important issue especially if going abroad with your family. So, Work environment has great influence on the failure of expatriates.

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