

VOLUME 5 NO. 1  
JUNE 2008

ISSN 1675-7017

# SOCIAL AND MANAGEMENT RESEARCH JOURNAL



RESEARCH MANAGEMENT INSTITUTE



## **SOCIAL AND MANAGEMENT RESEARCH JOURNAL**

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*Social and Management Research Journal is jointly published by Research Management Institute (RMI) and University Publication Centre (UPENA), Universiti Teknologi MARA, 40450 Shah Alam, Selangor, Malaysia*

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Vol. 5 No. 1

June 2008

ISSN 1675-7017

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# Critical Success Factors of Expatriation by Malaysian International Corporations

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## ABSTRACT

*Globalization is fuelling competition for international expansion. As firms move from creating new products and services to marketing, this effort requires increased expatriation to achieve global business goals. This study identifies critical success factors (CSF) relating to expatriation by Malaysian corporations operating internationally and identifies a number of strategies that can be adopted by these corporations to enhance their viability overseas. In addition, this study reviews current issues related to expatriation and identifies and ranks factors that contribute to the success or failure of expatriation by Malaysian corporations. Self-administered questionnaires were developed to collect the primary data, yielding a response rate of 35.2 percent. The results indicate that most Malaysian manufacturers are involved in expatriation activities. The ability to work in international teams was identified and ranked as the most important factor in determining the effectiveness of expatriation. Language proficiency ranked next in importance. In addition, adaptability to the international assignment and expatriate sensitivity to cultural elements were considered important to the success or failure of an international assignment. Results support previous research with regard to the importance of an effective expatriation selection process in order for a company's international expansion strategy to succeed.*

**Keywords:** *Expatriation, Foreign Assignments, Expats*

## **Introduction**

The world today is no longer divided but rather a single market without boundaries. Competition for market share in the products and services industries leaves no country immune from this global phenomenon despite attempts by some to put protectionist mechanisms in place to ensure home player survival. Malaysia is no exception in this global competition. With such fierce battles raging between countries for market expansion, the only way to succeed is to develop an effective global human resource management system with personnel capable of designing and implementing trans-national business strategies, according to most research on globalization and expatriation (Adler, 1990: p. 1). In such a dynamic business environment, international experience has become a necessity rather than a choice. Companies that are operating loosely connected groups of businesses located around the world must strategically integrate their activities otherwise they risk failure. Global competition has inevitably pushed many executives to recognize that they must consider management from a different perspective. There can be no doubt that globalizing companies need managers who can develop global business strategies, yet identifying and locating effective global human resource strategists is often difficult if not impossible. "The challenge of the management of expatriates and repatriates has never been more timely nor urgent: globalization has forced expatriation into the corporate agenda, confronting us with an array of questions on HRM strategy and practice," (Baruch and Altman, 2002).

In most cases, globalizing firms have gone through a series of transformations from domestic, to international, to multinational, and finally to global operations. At each stage of those transformations, "the approach to human resource management changes significantly in line with the changes in competitive strategy, company structure, the product or service being marketed, profit margin, and expenditure required for research and development" (Adler, 1990: p. 1).

Initially, at the domestic stage, the company comes into the market with a product or service researched and developed at home, produced at home, and then marketed to people at home. There are no expatriates, therefore cross-cultural training and development is not an issue. A substantial number of the Malaysian corporations that have penetrated the global market have gone through such transformations. In operating within this challenging business environment, hiring personnel with well honed international experience and skills is no longer an option but a necessity. Black and Gregersen (1999) cited, "In today's global economy, having a workforce that is fluent in the ways of the world is not a luxury. It is a competitive necessity".

Hechanova-Alampay, Beehr, and Christiansen (2006) argued more recently that on average, organizations spend two and a half times more to send an employee on an expatriate assignment. On top of being very costly, utilizing

expatriates can also be highly risky for organizations. Taking into account such costs and risks, there is a need for firms to identify the characteristics of successful expatriates in order to help organizations find the right person for an expatriate assignment. In addition, in ensuring the correct fit of employee to job while certainly a sound practice in itself is not sufficient because an expatriate assignment is distinctively different from a change of assignment, or even job relocation within the home country. Expatriate assignments, among other characteristics, demand greater responsibility and autonomy.

Beyond meeting the challenges of new job responsibilities, it is imperative for expatriates to adjust to different climates, new cultures and a host of other cross cultural business and social practices in their foreign assignments.. Finally, expatriate assignments more often than not involve one of two options: either uprooting families to the new country or making the expatriates live away from their families – both of which put a strain on the expatriates and their families. Thus, it is necessary to look beyond individuals and to consider the job, the work and social environment, and family-related factors that may likely affect expatriate success.

Expatriation is an expensive business. Simply put, it costs more to move a person out of his / her comfort zone. Moreover, companies have begun to put a price tag on the trial-and-error method of selecting executives for key international positions. McGoldrick (1997) argued that “on average, organizations spend over two and a half times more money to send an employee on an expatriate assignment than they would if they are hired locally.” Hechanova-Alampay, Beehr and Christiansen (1991) reiterated that, taking into consideration such costs and risks, there is a need for firms to:

- Identify the underlying characteristics of successful expatriates that can help organizations find the “right” person for an expatriate assignment.
- Ensure person-job fit because expatriate assignments certainly require greater responsibility and autonomy.
- Help expatriates adjust to a different climate, a new culture and other barriers present in the host countries.
- Support expatriates in assignments that either uproot their families or require expatriates to live away from their families.

The cost of a poor staffing decision could range from \$200,000 to \$1.2 million and goes far beyond the monetary figures to include “hidden costs of a failed assignment and the financial and emotional costs borne by the candidate, the spouse, the children, and other family members” (Swaak 1995). Thus, it is necessary to fully consider the job, the environment, and family-related factors in making expatriate assignments in order to assure more likelihood of success. A faulty expatriate staffing decision represents a failure of the firm’s selection policies when that process identifies individuals who, in theory, should thrive abroad but failed to deliver.

Earlier studies (Phillips & Pugh 1987, Swaak 1995), have found that the rate of expatriate assignment failures ranges from 10% to 45%. They caution, however, that it is not always clear whether the rates refer to immediate assignment failures (within one year) or perceived failures after the individual has been in the position for a year or more.

In view of the above, this study was designed to identify a number of critical success factors (CSF) that can be adopted by Malaysian corporations operating internationally to enhance their success and viability in the global marketplace and foreign countries where they place expatriates. The study also reviews the current issues related to the expatriation, identifies the factors that contribute to the success of expatriation by Malaysian corporations, and ranks their importance in contributing to the success or failure of expatriation policies of Malaysian corporations.

## **Literature Review**

Global human resource management refers to the utilization of global human resources to achieve organizational objectives without regard to geographic boundaries (Mondy, Noe, and Premeaux, 2000: 319). According to Torrington's (1994), (Welch, 1994) and Webb (1996) on their expatriation study, difficulties faced by international managers on international assignments are due to the lack of agreement about competencies that are considered important, or through a general lack of communication externally those competencies that are utilized internally. The competencies that are lacking include relational abilities, cultural sensitivity, linguistic ability and ability to handle stress. There are 17 characteristics and/or competencies that are necessary for a global worker to succeed in an international assignment as quoted by Swaak (1998). They also have deep discussion on the implications for the employee and the company of an expatriate assignment, the reasons why the expatriate assignment is not always a success and suggests a methodology for choosing an employee for overseas work and discusses such aspects as personality, competences, cross-cultural management and family issues.

Besides, other critical expatriate competencies required in the international assignment include job knowledge and motivation, relational skills, flexibility / adaptability, extra-cultural openness, and family situation. Ivancevich (2001: p. 108) came up with ten factors but when summarized fits into the five factors identified by Arthur and Bennet except for good stress management skills. Looking at the results of a recent survey among Finnish expatriates operating around the world, which examined their opinions of their company's practices indicate that, whilst the expatriates were not entirely satisfied with the way they were managed, "the management of Finnish expatriates may be closer to prescriptions of good practice than those reported from elsewhere" (Sutari



and Brewster, 2001). Critical dimensions for foreign assignment and should be given the special treatment to drive the company achieving highest level Fishman (1998). Business performance indicated from various perspectives whereby the focus on the business failure (resulting the success of failure of the company). Besides, the company failure is caused by the insufficient of management efficiency (Haswell, and Holmes, 1989) i.e. managing failure, lack of capital turnover, global competition, company development beyond target, excess expansion in trade (Gaskill et. al, 1993), failure to apply the professional advices and the human resources problems (Lussier, 1995).

## **Research Methodology**

Self administered questionnaires was developed and used in gathering data for this study. The researchers noted that prior research identifies four main variables to expatriation which are adaptability, sensitivity to different cultures, ability to work in international teams and language skills. The research instrument was used to obtain expatriate profiles and gather the opinions of respondents on a range of issues dealing with expatriation.

The primary purpose of this study was to identify the contributing factors that Malaysian manufacturing companies should consider adopting in their expatriation selection process and the factors that contribute to the success or failure of expatriation selection was ranked. The data were collected using a four-page questionnaire, with covering letter, mailed to Human Resource Managers where the respondent's addresses were extracted from the Federation of Malaysian Manufacturing (FMM) 2007 database.

From a database containing 2, 135 listings, 327 companies were selected and 116 questionnaires returned yielding a response rate of 35.2 percent. We addressed the typically low response rate by including an easy response envelope with the questionnaires. The low response rate can also be attributed partly to the random selection of companies, where not every company chosen for the survey uses expatriates.

Pre-testing ensured that any design errors in the questionnaire were corrected and improvements made before the full-scale survey was conducted (Yusof, 2000). The pre-test was conducted with Malaysian international companies. Feedback indicated that the respondents were comfortable with and could understand the questions. Descriptive statistics were conducted to access the respondents' rate that could engage in the expatriations processes or activities. Various descriptive and inferential tests are used to describe the characteristics of the data and the association among them. The inter item-consistency reliability coefficient (Cronbach's coefficient alpha) is also computed to identify the consistency of respondents' answer to all the items in the research instruments. Besides, multiple regression and correlation test also

conducted to see the significant factors as proposed in this research are correlated to the factors' areas. The test is also conducted to identify if there is any association between the independent variable to the dependent variable (expatriations).

## **Research Findings**

The findings from the research indicated that there were 52 respondents (44.8 percent) manufacturing industrial products, 48 respondents (41.4 percent) manufacturing consumer products and only 16 respondents (13.8 percent) manufacturing other types of products (not categorized as industrial or consumer products). Majority of the respondents or 84.5 percent (98 respondents) recorded a gain of more than RM1 million of their average annual sales in 2006. Another 13.8 percent (16 respondents) recorded annual sales between RM0.5 million to RM1 million and only 1.7 percent (2 respondents) had less than RM0.5 million. In other hand, 79.3 percent or 92 respondents traded within Asian countries, 50 percent (58 respondents) had business connection in America, 48.3 percent (56 respondents) has penetrated European market, and 43.1 percent (50 respondents) have expanded their business collaboration with Australians and the New Zealanders. However, only 10.3 percent (12 respondents) have entered the African market. This figures shows that, all respondent companies are involved in international business and trade and communicated with foreign counterpart; they definitely need to appoint personnel or specialize managers to handle their international operations.

In addition, 32.8 percent of the respondents have overseas affiliates, 32.8 percent have offices overseas, 29.3 percent have branch overseas, 8.6 percent have holding company overseas and the remaining 3.4 percent created their overseas networking through exports representatives, wholesales and display counters overseas. However, less than half of the companies have direct foreign affiliates, probably because they are local manufacturer involved only in exporting activities to locate their product overseas. Exportation are a free maintenance method in doing business internationally but might incur higher cost due to the currency exchange, political stabilities, insurance, transportation and other micro economical forces.

The aggregate of means and standard deviations value indicated the extent of expatriation practiced in the organization. The managers who are handling their companies' international operations taking part in this research were expatriates whose nature of job is to travel abroad (mean 1.36 and standard deviation 0.517). To ensure an effective international assignment, the personnel department needs to prepare a work checklist when dealing with foreigners before they travel abroad (mean 1.48 and standard deviation 0.597). Most of the respondents mentioned that their companies' have participated in the foreign

trade expo (mean 1.52 and standard deviation 0.502) either organized by local or foreign agencies. To ensure that the employees were ready for their international assignments especially to anticipate with the negotiations process wisely, the respondents stated that their companies had organized pre-departure training for their expatriates (mean 1.62 and standard deviation 0.487). Moreover, with mean 1.76 (standard deviation 0.680), the personnel's international assignments were promoting companies products, customers' visit, giving technical assistance and others related after sales service.

Other than trade expo, the companies also participated in the trade mission (mean 1.76 and standard deviation 0.569) organized by the Malaysian's Ministry of International Trade and Investments (MITI) to promote Malaysian business overseas. Overall, the companies that participated in this study were highly involved in the international activities (mean 1.5776 and standard deviation 0.23409).

Expat's adaptability to their international assignment was important to access the extent they could make necessary adjustment in their job. The respondents agreed that it was not necessary for them to be accompanied by other personnel when they are go abroad (mean 1.60 and standard deviations 0.558). In other hand, with mean value 1.81 and standard deviation 0.603, the respondents strongly agreed that they were ambitious to penetrate more foreign countries to market their company's products. The personnel were also looking forward representing the companies to meet foreign customers or suppliers (mean 1.92 and standard deviations 0.657). In addition, to reside in host country for the international assignments was not a difficult task to do (mean 1.97 and standard deviations 0.745). The researchers, the expat understood their nature of work even it was conducted in different host country setting especially for those who had some experience in dealing business with their foreign counterparts before migrating to other country. Most of the respondents are willing to accept the international assignments as they gained supports from their spouse, partners or family members (mean 1.97 and standard deviations 0.697). There were many considerations taken into account before they decided to migrate overseas for the international assignments such as working spouse, partners or family members, children's in school or other obligations in home country. However, the respondents agreed that they had to adjust their present standard of living to the new foreign environment once they accept the international assignments (mean 2.12 and standard deviations 0.748) and required to migrate overseas. In connection with the results, it shows adaptability to international assignment were a contributing factor of expatriation (mean 1.9023 and standard deviation 0.39445).

Moreover, it is not necessary for the expatriates to hide their own cultural elements when meeting with foreigners (mean 1.55 and standard deviations 0.838). Cultural awareness is an influential factor to the effectiveness of the international assignments. Furthermore, in some circumstances according to

the respondents, foreigners look forward to know and learn about Malaysian cultures. However, they slightly agreed that they needed to follow the foreigners' or customers' style of doing business in order to reduce the business complexities especially in negotiations process (mean 1.90 and standard deviations 0.806). In addition, the respondents agreed that the negotiations and compromising were the most difficult part of business process (mean 2.03 and standard deviations 0.618) due to the different perceptions, reference and preferences influenced by the cultures of foreigners from different countries. The respondents also agreed that it should not be difficult or time consuming to make appropriate culture adjustments when dealing with foreigners (mean 2.12 and standard deviations 0.562) because businesses procedures are universally common and understood wisely such as trade procedures, documentations and many more. Some of the respondents were uncertain with the statement that "they are unable to understand the language if they felt uncomfortable with new or unfamiliar situations overseas". In addition, due to the fact that English is the universal language and expat were had business mission in their area of expertise, it could help them to 'close sales' easily with foreigners (mean 2.17 and standard deviations 0.622). Besides, those who were experienced and exposed to the external environment, expatriation is easy even for the first meeting with new customers. Therefore, it shows that the sensitivity of different cultures is a factor to the expatriation (mean 1.9943 and standard deviation 0.42842).

The research also found that, most of the respondents agreed that they had experienced traveling overseas (mean 1.60 and standard deviation 0.526). Their vacations abroad help them to adjust appropriately with their international assignments or posting. Back in their home country, they have to deal or contact their foreign counterpart frequently (mean 1.78 and standard deviation 0.591). Some of the respondents had experienced living outside of Malaysia when they was studied overseas or re-expatriate to home country after foreign assignment (mean 1.95 and standard deviation 0.508). Such experiences help them to make quick adjustments with new assignment and environment. Some of the respondents agreed that they are so committed and eager to meet new challenges in their international assignment (mean 2.09 and standard deviation 0.598).

With their job maturities, experiences and knowledge on their jobs, respondents are certain that the foreign counterpart were confidence to deal with them (mean 2.12 and standard deviation 0.496). Besides, most of the respondents agreed that they should be the first person to speak up and take charge during the group meeting with foreigners (mean 2.22 and standard deviation 0.814) as a persuasion power to win the negotiation process. Therefore, with a mean of 1.9598 and standard deviation of 0.32794, the respondents agreed that they must have certain competent abilities to work with the international teams.

As manufacturers or suppliers to foreign customers, the respondents agreed that they should be more patient to the business communication with foreigners (mean 1.67 and standard deviation 0.629). It is important to avoid misunderstanding and ensure that the business negotiation is on track and meet its objectives. As English is a universal business language, the respondents agreed that it is not necessary for them to attend the foreign language course (s) before going abroad (mean 1.81 and standard deviation 0.823). They also agreed that most of their foreigners' clients do not have problems in understanding the English language used (mean 1.91 and standard deviation 0.568). However, to increase the communication effectiveness, respondents agreed that they need to show the printed materials to their clients especially on their first meeting session with foreign customers (mean 2.00 and standard deviation 0.590). Sometimes, when dealing with non-English speaking customers or suppliers of foreign country, the respondents might need to hire local translator (mean 2.00 and standard deviation 0.748). Furthermore, respondents slightly agree that they do not face any problem in understanding silent language such as body gesture and facial expressions of foreigners (mean 2.03 and standard deviation 0.645). Overall, with a mean 1.9052 and a standard deviation 0.32469, the respondents agreed that language skills are also a contributing factor to the expatriations effectiveness.

Amongst the factors, adaptability to the international assignments stood as most important factor of expatriations (mean 1.9023 and standard deviations 0.39445). It is followed by language skills of expatriate (mean 1.9052 and standard deviations 0.32469) and ability to work in the international teams come in as the third important factor of expatriations (mean 1.9598 and standard deviations 0.32794). The least important factor of expatriations is sensitivity of different cultures as the respondents are uncertain the cultures play major role to determine the effectiveness of expatriation process.

The inter item-consistency reliability (Cronbach's coefficient alpha) is conducted to identify the consistency of respondents' answer to all the research statements. The result shows the average correlation amongst the items was slightly low but in acceptable level (Cronbach's alpha value was more than 50% of total items). The 'expatriation processes' stated the Alpha value of 0.506, 'adaptability of cultural factor', the Alpha value was 0.62 and 'sensitivity of different cultures' factor stated Alpha value at 0.69. Furthermore, 'ability to work in the international teams' factor the Alpha value was 0.53 and in other hand, the Alpha value for 'language skills' factor was 0.52 (excluded 'local translator' statements).

In addition, a linear regression analysis was performed to determine the association between independent variable *i.e.* *adaptability, sensitivity of different cultures, ability to work in the international teams & language skills* and the dependent variable *expatriation*, by employing the stepwise procedure at the significant level of 0.05.

Table 1: Un-standardized Regression Coefficients Model

Factors	B	t	p-value
Ability to Work in International Teams	0.238	2.640	0.009
Adaptation	0.183	2.604	0.010
Language Skills	0.174	2.335	0.021
Sensitivity of Different Cultures	0.000	0.008	0.993

Four factors are shown in the un-standardized regression coefficient model in the table 1. However, only three assessment factors had acceptable regression coefficient value (Beta value) those show some significant relationships with expatriation. The factors were *ability to work in international teams* (0.238), *adaptations* (0.183) and *language skills* (0.174).

Although the overall regression coefficient value appears low, the result served as an indication of the factors that should best be addressed in order to have a great impact in improving expatriation process. Sensitivity of different cultures excluded in the model indicated that this criterion do not contribute much to the case expatriation model. Therefore, the regression equation obtained for the dependent variable is given as:

$$\text{Expatriation} = 0.238 \text{ ability to work in international teams} \\ + 0.183 \text{ adaptation} + 0.174 \text{ language skills}$$

The low value of multiple correlation coefficient ( $R = 0.315$ ) indicated that the existing relationship between the observed and model-predicted value of the dependent variable. In addition, the significant value of the F statistic ( $p\text{-value} = 0.02$ ) is less than 0.05, which meant that the variation explained by the model is not due to change.

In addition, a bi-variate correlation analysis was performed to obtain a glimpse of the relationship among the various quality assessment criteria. The non-parametric Spearman's rho was selected as the measurement method because it makes fewer assumptions about the variables, and is more commonly used in reports of research when compared to Kendall's tau (Bryman and Cramer, 1990). Spearman's rho can vary from -1 and +1. A relationship of -1 or +1 would indicate a perfect positive relationship, negative or positive respectively; while a relationship zero would indicate the complete absence of a relationship, between two variables. Most the correlated factors were found statistically significant at 0.01 relationship level (99 percent confident level). It should be noted that all the correlations were positive relationship, ranging from 0.345 to 0.563. The fairly significant correlation among all the criteria indicated a certain degree of inter-dependence among them, as practiced in the respondents' company. However, there was a factor correlated at the level of 0.05 (confident level of 95%) which relationship between 'language skills' and 'expatriations'

range at 0.156 as the highest relationship between the factors toward the expatriations process. The lowest relationships factor to expatriations was 'sensitivity of different cultures' (correlation level at 0.003) with the negative relationship direction which indicated that there was almost no relationship existed. In other word, the 'sensitivity of different cultures' was perceived as not a major problem or barriers to expatriation.

Besides, the correlation analysis also indicated that the 'ability to work in the international teams' has highest correlations (correlation level at 0.563) with 'adaptability' in positive relationship direction which shows that the expatriate could perform better in the international teams if their adaptability to the foreign setting increase. In addition, 'the ability to work in the international teams' also shows a relationship (correlation level at 0.353) with 'sensitivity of different culture' in positive relationship direction. The implies that the expatriate could perform better in the international teams by increasing their sensitivity and knowledge about foreign culture. However, the 'ability to work in international teams' has a relationship (correlation level at 0.350) with 'language skills' in a positive relationship direction. Its shows that the expatriate could perform better in the international teams by increasing some specific skills to understand foreign language (spoken and unspoken language (i.e. body gesture, facial expression) shown by foreigners). Sensitivity to non-verbal communication is important to show some respect and adaptation to the foreigners' expectations or behavior. Finally, there is a relationship (correlation level at 0.345) between 'sensitivity of different culture' and 'adaptability to foreign assignment' factors in positive relationship direction whereby, by increasing sensitivity to the foreign cultures differences or by having high culture literacy, expat might not have problem to accept or adapting the foreign assignment to ensure successful of an expatriation process.

## **Discussion**

With mean value of 2.03, it shows that most of Malaysian manufacturers agreed that they are involved the expatriation activities in their organization. From the background data (Part A), it also shows that 84.5 percent of the respondents reported that their company are generating more than Ringgit Malaysia one million of average annual sales. All of them have business connections with foreign counterparts through various forms of affiliations. Therefore, the companies certainly need personnel to coordinate such business activities internationally. The choice personnel to take up international assignment must be stringent to ensure that the personnel are competent to take up such an assignment.

As shown in table 2, amongst the factors, the ability to work in the international teams was identified and ranked as the most important factor to

Table 2: The Expatriations and Contribution Factors of Expatriation

	N	Mean	Std. Deviation	Variance
Expatriation	116	2.0287	0.30159	0.091
Ability to work in international team	116	2.3937	0.42358	0.179
Language Skills	116	2.5201	0.44730	0.200
Adaptability	116	2.5632	0.44159	0.195
Sensitivity	116	3.1868	0.59228	0.351
Valid N (listwise)	116			

determine the effectiveness of expatriation process. With mean 2.39, expatriation programs strongly dependent on the ability of a personnel to handle good business dealings with their foreign counterparts.

This result conforms to the study conducted by Suutari (2002) on the need of strong leadership competencies in handling the company's activities locally and internationally. In addition, as mentioned by Mondy, Noe, and Premeaux (2000: 319), van der Boon (2001) and Swaak (1997), effective human resource management is necessary to ensure that only competent people are sent abroad to achieve efficient global strategies.

Due to international differences, the company should provide relevant training program and exposure to make sure expatriates can represent the company and meet the business requirements effectively. The companies are exposed to many differences when dealing a business in the international context such as cultural, language, climate, politic, social, and economic. Wright et. al. (2000) suggested the companies need to have strategic human resource management to cope with the international expansion pressure.

Language is the second aspect that determines the effectiveness of expatriation process. With a mean of 2.52, the respondents agreed that language is an effective medium to disseminate ideas and meet the business objectives. Appropriate language use and skills by the personnel could determine the effectiveness of message delivery and persuade future customer to engage into the valuable business contract. Swaak (1998) had stressed in his study that linguistic ability is one of the components to determine expatriate capabilities to handle the international clients. Communication competency is listed by Sha'ri and Elaine (2000) and Dessler (2000) as one of the success factors of expatriations.

With mean 2.56, adaptability is the third influencing factor of expatriations. The respondents were slightly unsure or uncertain of the importance of this factor in the expatriation process. Jordon and Cartwright (1998) and Swaak (1998) do mentioned that the personnel competencies in handling the international assignment is dependent on the factor about their maturity to



make the necessary adjustment and adaptation to the international differences (Webb, 1996; Schriner, 1999).

Research also found that when the personnel are given international assignment; they might not have the choice to reject the international assignment given to them due to the nature of their job. However, adaptabilities to international assignments are important to ensure efficient contribution in order to achieve international business objectives.

The Personnel readiness to accept the international assignment depends on the target country's climate, preparations, and spouse readiness and also foreign affiliate's adaptation. Barber and Pittaway (2000) suggest that the environment scanning is useful to increase foreign understanding among expatriate about foreign setting and business climate and help to reduce the expatriate failure rate.

According to Kanji (2002) and Morgan et al. (2004), the companies' performance measurement system is being raised by expatriate either to accept or reject their international assignment. Expatriate are concerned with the implementation of the performance evaluation while on international assignment compared to their counterparts who are handling local business. It is important to determine the route of their future career development.

Besides, another contributing factor to the success or failure of the international business activity is cultural influence. There are various unique world cultures from one place to another. Cultural elements will create a set of individual behaviors, perceptions, believe and attitudes. Therefore it also could influence the way of personnel in making a business decision. With mean 3.19, the respondents are uncertain as to the sensitivity of different cultures as an important factor to determine the effectiveness of expatriation process.

There are common business and trade cultures acceptable throughout the world of business. It includes standardization of language usage (whereby English is acceptable as world business language), business terms, documentation, and other business requirement. Therefore, culture is not a critical factor to the expatriation process but it can be a slight influential factor to the effectiveness of business contract with non-English speaking country like China and Vietnam, and others.

According to Swaak (1998) study, cultural elements needed to be included in the company's international human resource management programs. This is important whereby the culture understanding could help company reduces problems in misleading the business deals and international negotiations (Black & Porter, 1996). The factors found in this research also conform to other factors listed by Selmer (1999); Riusala and Suutari (2000); Wan et al. (2003) and Holopainen and Bjorkman (2005), including the extent to which the expatriate is willing to accept expatriate assignment.

## **Recommendations**

In order to increase expatriates' credibility and capability to work effectively in the international teams, they should take the opportunity to work closely with foreigners. They should also expose themselves to the different climate overseas, so they could understand how to make appropriate adjustment with their international business program. Besides, a person's level of motivation could increase if the company can show the confidence to the manager in term of managing the international assignment efficiently. However, experience should be the best teacher to a person in order to manage their international assignments effectively.

When dealing with non-English speaking country, a person should take the initiative to learn the target country's language. To reduce the expatriation failure in the non-English speaking country, the managers should take the language class, so they can communicate easily with local of the target country. In addition, the managers also need to be aware or alert with the non-verbal language in foreign setting. This includes facial expressions, body gestures and other body signals. Body signals may vary in meaning or interpretation in different country. Misinterpretation might cause chaos to the expatriate to gain attention or respect from foreigners.

However, this is worthy if it is for long-term foreign assignment. If managers are given short visit to foreign country, it is economically sound to hire a local translator to help them manage the business communication in those non-English speaking country. In other county, it is believed that managers can manage the business meeting effectively because English is a language that is accepted as a global medium of business communication. There are standard terms that might be used to refer to business policies, rules, procedures, etc. especially in trade documentation.

The successful expatriation processes are also influenced by the readiness of the managers to accept the international assignment. In addition, it also depends on to the extent of adaption to the countries trade and culture differences. When they are given international assignment, they should compromise their present comfortable standard of living with the new foreign environments. Besides, maturity level also influences the adaptability for international assignments. For example, they might not need to be accompanied by others when they are going abroad to manage their international assignment.

The managers also need to make the necessary preparation or adjustment to ensure their spouse and other family members could give the support for that international assignment. The expatriation process is successful if the managers are ambitious to help the company to penetrate more foreign countries in order to market the company's product or services. In addition, they act as a spokesperson to represent the company in meeting with foreign customers or suppliers.

When dealing with different cultures in different countries, the managers should be more sensitive to ensure they can accomplish their international mission effectively. Expatriates should not show the uncomfortable faces if they need to deal with unpleasant situations with them. An excellent manager should not take a long time to make an appropriate adjustment with foreign culture. They also could effectively persuade in closing sales with foreign customers. It is because they understand how to handle the customers' attitudes and cultures. The different perceptions on the business terms and conditions are strongly influenced by their cultures. Therefore, it is important for the managers to develop their culture literacy before dealing with those target countries.

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