

CRITICAL SUCCESS FACTORS OF EXPATRIATIONS BY MALAYSIAN INTERNATIONAL CORPORATIONS

PREPARED BY:

**SENIAN BIN MALIE
AWANG ROZAIMIE BIN AWANG SHUIB
ISMA IZZA BINTI MOHD ESA**

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Assistance Vice Chancellor
Institute of Research, Development, and Commercialisation (IRDC)
Universiti Teknologi MARA
40450 Shah Alam
Selangor Darul Ehsan

Sirs,

**RESEARCH REPORT: CRITICAL SUCCESS FACTORS OF EXPATRIATIONS
BY MALAYSIAN INTERNATIONAL CORPORATIONS**

Above-mentioned matter refers.

Herewith, we would like to submit a report on Critical Success Factors of Expatriations by Malaysian International Corporations for your references.

Your guidance, contribution and attention in the completion process of this project are very much appreciated. Thank you.

Yours truly,



SENIAN BIN MALIE
Project leader

TABLE OF CONTENT

<i>Chapter</i>	<i>Description</i>	<i>Pages</i>
	Offer Letter to Conduct Research	i
	Letter of Transmittal	iii
	Research Team	iv
	Acknowledgement	v
	Abstract	vii
	List of Tables	ix
	List of Figures	x
1.0	Introduction	
1.1	Introduction	1
1.2	Background of the Study	1
1.3	Problem Statement	5
1.4	Objectives	7
1.5	Significance of the Project	8
1.6	Scope of Study and Limitations	9
1.7	Definition of Terms / Concepts	10
1.8	The Structure of the Study	11
1.9	Conclusion	11
2.0	Literature Review	
2.1	Introduction	12
2.2	Expatriation	14
2.3	Issues of Expatriation	17
2.4	Characteristics of Key Global Talent	20
3.0	Methodology	
3.1	Introduction	24
3.2	Theoretical Framework	26
3.3	Collection of Secondary Data and Primary Data	27
3.4	Questionnaire	27
	3.4.1 Questionnaire Design	29
3.5	Sampling	30
3.6	Data Analysis Procedures	30

ABSTRACT

Due to the globalization wave worldwide, many firms are competing for the international expansion. The firms change orientation from emphasis on creating a new product or service to marketing and this effort requires significant need of expatriation to realize the business goals globally. This study aims to identify the critical success factors (CSF) relating to expatriation by Malaysian Corporations operating internationally and identify a number of determinant factors that can be adopted by the Malaysian Corporations that operate internationally to enhance their viability in those countries. Besides, this study also aims to review the current issues related to expatriation; identify the factors that contribute to the success of expatriation by Malaysian Corporations and rank the factors contributing to the success or failure of expatriation by Malaysian Corporations. Self-administered questionnaire were developed to collect the primary data and were mailed to the Human Resource Managers of the companies extracted from the Federation of Malaysian Manufacturing (FMM) 2007 database. One hundred and sixteen questionnaires returned yielding a response rate of 35.2 percent. The result shows that most of Malaysian manufacturers indicate that they are involved in expatriation activities. Amongst the factors, ability to work in the international teams was identified and ranked as the most important factor to determine the effectiveness of expatriation process. It is followed by the language proficiency of expatriate in handling the international assignment especially with the non-English speaking counterpart. In addition, adaptability to the international assignment factor and expatriate sensitivity to the cultural element are the contributing factors to the success or failure of the expatriation. The research results show significant impact that conform with results of previous studies that discussed the importance of effective expatriations process toward the success of company's international expansion strategy.

1.0 Introduction

1.1 Introduction

In this chapter, the background of the study is presented. Next, the problem statement within the perimeter of the study is outlined. Moving from this point, the purpose and the research questions providing the directions of the study is laid out. This is followed by the significance of the study, the scope / limitations, the definitions of relevant terms, the key terms used, and finally the structure of the study.

1.2 Background of the study

The world today is no longer a divided but rather a single market without boundaries where everybody is competing for supremacy, be it in the product or service sector. No country is immune from this phenomenon even though some are fighting to put protectionist mechanism in place to ensure home players survival. Malaysia is no exception in this war. With such fierce battle 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" (Adler, 1990: p. 1).