



SWP 58/87 THE MANAGEMENT OF EXPATRIATES

**DR CHRIS BREWSTER
Cranfield Human Resource Research Centre
Cranfield School of Management
Cranfield University
Cranfield
Bedford MK43 0AL
United Kingdom**

**Tel: +44 (0)234 751122
Fax: +44 (0)234 781806**

ACKNOWLEDGMENTS

This study has only been made possible by the time given and interest shown by the many executives in the international departments of the companies consulted. Their help and support is greatly appreciated.

The study was financed by Cranfield School of Management.

CONTENTS

	Page
Introduction	1-3
Some introductory points	3-5
Selection and appointment	6-14
Training	15-18
Related issues: Third country nationals remuneration, running-invaluation, failure and return	19-26
Review	27-28
Appendix I: Bibliography	
Appendix II: Companies surveyed	
Appendix III:	

INTRODUCTION

The aim of this pilot project was to examine the nature and effectiveness of the recruitment and preparation of expatriate managers by European international companies. The research was conducted in five industries: air transport, banking, electronics, food and drink and petroleum; and five European countries: the UK, Netherlands, France, the Federal Republic of Germany and Sweden. Subjective impressions, however, indicate that the findings may be more widely applicable. Fieldwork was undertaken in eighteen months from the end of 1985 to early 1987.

This report outlines the methodology of the study and the database from which the material is drawn. It details the results in the broad general areas of

- selection and appointment
- training

and then more briefly outlines some of the additional material gathered in the areas of

- third country nationals
- remuneration
- running-in
- evaluation
- failure
- return

A final section considers the issues identified. Appendices detail a bibliography on expatriation, a list of the companies consulted.

METHODOLOGY

The nature and resources of this study permitted only a limited investigation. It was decided to restrict the study to five industries. These were selected according to the following criteria:

- there was a strong European presence in these industries
- the industries had a strong home base in many European countries, rather than just one or two
- they were essentially multinational industries operating within and outside Europe and transferring managers internationally
- they were industries with a solid future
- a range of different sized companies operated in each industry
- Cranfield School of Management had extensive links with these industries.

On this basis the industries selected for study, though not all met all of the criteria exactly, were:

- * air transport
- * banking
- * electronics
- * food and drink
- * petroleum

The study was also restricted to five countries. The main criteria involved in the selection of these countries were

- a strong international sector
- proximity to the UK
- substantial contacts with Cranfield School of Management

On this basis the following countries were selected

- * United Kingdom
- * Netherlands
- * France
- * Federal Republic of Germany
- * Sweden.

In each country the aim was to meet with a senior executive in the personnel department of one company in each of the five industries. This programme was completed with the exception of a petroleum company in Sweden and a food and drink company in the Federal Republic of Germany. Interviews with two extram MNC in the bank sector in the UK brought the total number of organisations seen to 25. The companies visited are detailed in Appendix II. Most interviews were in practice held with two or three specialists in each company and lasted between one and three hours. Interviews were held in English or French. In addition to the interviews, documentary material was obtained from most companies.

The interviews were guided by an analysis of recent articles on expatriate management: material noted in Appendix I. This material also formed a valuable background which was utilised in analysing the findings of the fieldwork interviews.

The fieldwork database

In total interviews were conducted in 25 multinational companies (MNCs). These companies ranged in size from those employing less than 3000 to those employing over 350,000 worldwide. Total employment in these companies amounts to almost 2 million. The company with the fewest expatriate staff employs only 20 on foreign assignments, whereas those with most employ over 2000. Total expatriate employment in these companies was nearly 13000.

In broad terms it is clear from Appendix III which gives more detail of these figures that amongst the MNCs in this study a significantly higher proportion of the numbers employed by Dutch and Swedish companies work outside the HQ country. This is as would be expected given the relatively small home market of those countries. The MNCs based in the Federal Republic of Germany by contrast have a comparatively small number of employers outside the country. In industrial sector terms food and drink companies and airlines tend to employ fewer people outside the home base countries. The electronics companies were not only much bigger on average than the other companies but also employed large numbers in foreign countries, as did the banks. The petroleum industry employed by far the largest numbers outside the HQ country.

The numbers of expatriates follow these general trends with some notable exceptions. First, in terms of country, French and Swedish MNCs appear to have a disproportionate tendency to employ expatriates. This is, however, likely to be misleading, in that the smaller numbers employed outside the HQ country bias the figures. Britain clearly makes more use of expatriates than the Dutch or Germany companies in the sample. Second, industrial sector differences are marked. Comparing the numbers of expatriates with the numbers employed in total in other countries it is clear that the airlines use proportionably at least twice as many expatriates as food and drink, or banking. Petroleum and electronics MNCs tend to use proportionably fewer.

This report details the results of the survey, with reference to other published material where appropriate. Numbers, and national or sector breakdowns, are given in most cases. However the commitment to non-identifiability in the report, given to all organisations during the research, means that in some cases figures or other details have had to be withheld or compounded.

SOME INTRODUCTORY POINTS

importance

There is no clear evidence of the numbers of expatriates employed throughout the world. Even in Europe, where statistics are more reliable and available than in some other continents only broad estimates can be given.

(In Britain for example 1987 statistics allow the Government to estimate that 362,000 European Community nationals were employed in the UK, but the latest available estimates for UK nationals working in the EC, about 95,000, come from 1984). Furthermore, the numbers are continually changing. Two trends in particular are apparent from this study. One third of these European MNCs (8 out of 25) reported that they now employ fewer expatriates than three years ago. Nearly half (11 out of 25) employ more. The difference is largely explained by the experience of the MNC with expatriation. Those organisations which have used most expatriates, for longer, are

are finding that their need for them is reduced and/or that local Governments are insisting on the replacement of at least some expatriates by local appointees. The petroleum and the electronics companies are the most affected, though some of the longer established international banks have also reduced their numbers of expatriates in recent years. Where MNCs are expanding the scope of their international operations the number of expatriates is growing - in some cases rapidly. This is happening in the banking and food and drink sectors in particular. Overall, it is unclear which of these trends predominates as there are no reliable statistics on the numbers of expatriates employed throughout the world. The importance of expatriates, however, is beyond dispute. In a global sense business is becoming increasingly international and the requirement for executives (in particular) with extensive foreign experience becomes more obvious. In a national sense the value to a particular economy of the activities of expatriates posted abroad is manifest: and the learning to be gained from expatriate activities can be significant. For any one organisation the amount of resources devoted to expatriates exceeds that devoted to almost any other comparable group of employees: and the required pay-off is equally high.

types of expatriate

Most MNCs have a variety of types of expatriate. They can be seen as one or other of a series of alternatives. There are

- technical experts *or* managerial postings
- short-term *or* long-term tours of duty
- single postings *or* career expatriates
- junior, developmental jobs *or* senior executive jobs
- external recruitment for expatriate jobs *or* internal recruitment to meet developmental or organisational requirements
- corporate recruitment *or* divisional and regional recruitment

Though this study concentrated on the longer-term managerial expatriate postings information was gathered on all these categories. Except where otherwise indicated, results detailed here refer to all postings lasting over 12 months. by Decisions about which of these alternatives are adopted corporations utilise raise policy issues which are discussed at the appropriate point.

organisational structure

The employment of expatriates varies with the size, sector and structure of the organisation. In particular, organisations that operate internationally attempt to create a greater or lesser degree of worldwide uniformity of management policy and style. This structural decision extends over the whole operation of any MNC. At the extremes some organisations attempt to ensure an almost total uniformity across the world, with local national operations being an integral part of the total international business; others have no more than the loosest shareholder relationship with local national operations. Most, of course, fall between these extremes.

These structural variations will have a major impact on the role and function of expatriates. In this study the banking and airline sectors tend towards the uniformity end of the spectrum, the food and drink, and the electronics sectors tend towards the looser structures. The petroleum sector is somewhere between the two being, broadly, regionally organised. These generalities hide variations within the sectors.

reasons for use of expatriates

The reasons why organisations appoint expatriates, rather than locals, have been the subject of much speculation and some limited research. An analysis in the late 1970s by Edstrom and Galbraith argued that international transfers take place for one of three reasons:

- for staffing: because local staff cannot fulfill the requirements of the job and so someone from the headquarter's country has to be sent out to fill the post.
- for management development: to provide younger high-fliers with the opportunity to experience new situations, develop new skills or run their own operation away from headquarters.
- for organisation development: to provide socialisation in the ways different countries do things; to develop adaptability and flexibility; and to develop international contacts and networks. (Edstroim and Gasbraith 1977)

A more detailed study in the early 1980's (Tung 1982) found that MNCs based in United States of America stated that they used expatriates to start-up new business operations and for their greater technical expertise; Japanese MNCs argued that they simply picked the best person for the job, so that it would just happen that some were Japanese; European companies gave management development as the main reason, followed by technical expertise and for starting-up new ventures.

In this survey which concentrated on managerial expatriates it was found that these reasons were advanced by most of the companies. 13 organisations mentioned management development as a reason 5 as the main reason: 6 mentioned the need for headquarter's staff in the establishment and early years of a new venture. Two other reasons, however, were also frequently advanced and seem to be particularly relevant at the top management level.

■ *National representation.* For 19 of the 25 organisations there was felt to be an expectation from foreign contacts, particularly customers and customer organisations, that the senior executives in the country would be HQ nationals. Their role was seen to include a substantial public relations and marketing element and it was felt that either Governmental or other local expectations required an expatriate. The 6 companies that did not feel this requirement were all amongst the largest organisations, with substantial foreign operations and were all in the petroleum and electronics sectors.

■ *Control.* For most companies the main rationale for using expatriate technical specialists was their work expertise. But for expatriate managers the main rationale was control of the local operation. 22 of the 25 companies gave this reason and 18 of them gave it as a major reason. This thinking is emphasised by the fact that expatriates typically hold chief executive officer and senior financial management positions. Their function was to understand and interpret corporate policy and/or to be accountable for "bottom-line" financial results. The fact that this issue was identified so strongly in this research and appears not to have been raised in previous cases must be put down to methodology. In this case unprompted questions, followed by a detailed discussion in an interview setting, appears to have revealed a factor not raised by previous studies.

SELECTION AND APPOINTMENT

Four main themes in the recruitment of expatriates were identified in this research:

- recruitment policies
- criteria for selection
- selection systems
- the appointment process

Each of these themes will be examined to outline the issues and then consider how these were handled in the companies in which the research was conducted.

Recruitment Policies

MNCs have several options in their recruitment policies. The literature provides little information on policy issues but this research explored recruitment policies and systems as well as criteria. First, the *source* of recruits was investigated. It is clear that most companies prefer to recruit expatriates from amongst their own employees rather than externally, but they accept that this may not always be possible. Technical specialists in particular may well have to be recruited externally. None of the airlines however was prepared to send anyone other than current staff on a foreign assignment.

For senior postings the range of organisations who would not recruit externally is considerably wider. Nevertheless, even for these positions one or more organisations in each country was prepared to go outside their current staff if they deemed it necessary. More MNCs in Britain than in other countries were prepared to consider external recruitment for senior postings. Sectorally, the banks have used external recruitment for senior positions to a much greater extent than other industries. This is largely explained by the fact that many of these banks are relatively new into the international arena and have considered that they had to buy in expertise at senior level to establish their foreign operations.

To some extent the different policies adopted by the organisations sampled reflect the nature of their business. Technical specialists will usually be involved with relatively short overseas assignments and will usually work at the home base between them. Even here, however, some will be on foreign postings far more frequently than others. Where the role is essentially representative or sales orientated career expatriation is more common.

For managers, therefore, career expatriation is typical in the airline industry (though one airline tries to operate a policy of alternate home and foreign postings). It is common in the banking and electronics sectors. The oil and food and drink companies seen, however, are more likely to restrict foreign assignments to a single posting, to alternate home and foreign assignments or to have policies which allow both career and single assignments.

Country differences on this policy option were minimal. The use of career expatriation is less widespread in Sweden than in other countries and perhaps more widespread in the UK; otherwise it is the sector which is the most important variable.

The fourth policy option concerns the use of *foreign assignments as developmental positions*. The alternative is to send the complete and polished professional: "the best". There is substantial evidence in the literature that technical competence is seen as a crucial factor by MNCs (Ivancevich 1969; Hays 1971; Miller 1973; Howard 1974; Hayes 1974; Lannier 1979; Tung 1981, 1982; Zeira and Banai 1984, 1985), by the expatriates themselves (Gonzales and Neghandi; 1967; Hayes 1971; Harris 1973; Hautaluoma and Kaman 1975; Bardo and Bardo 1980; Hawes and Kealy 1981; Zeira and Banai 1984, 1985) and by host-country nationals (Zeira and Banai 1985). There are many calls for MNCs to "send the best": a quote from David Pulatie, Vice-President and Director of Employee Relations-Personnel International, Motorola (Illinois)

"send only top-notch, proven people"*

Equally, on the other hand, many MNCs see foreign assignments as developmental, a way of teaching and testing-out a manager with potential. Managers are placed in unfamiliar, often difficult, surroundings and allowed to "run their own show" in a way that may not be possible at headquarters. They are usually responsible for a much wider range of elements of the business. The developmental value is obvious.

Amongst the sample here 8 companies were prepared to identify "send best" as a major element of their foreign placement policy; 5 identified the developmental aspect as most important. The others all proclaimed a policy that depended on circumstances. There is a relationship with career expatriation policies. Career expatriation is closely linked to "send best" strategies, or to companies which have both policies. This is in one respect surprising: if these people are the best, why aren't they in central roles at headquarters? The assumption of a correlation between "best" and technical expertise may provide part of the explanation. Conversely, the relationship between posts being seen as developmental and a strict limitation on foreign assignments is self-explanatory.

Second, MNCs have options in the policies they pursue with respect to internally recruited expatriates. In broad terms they have the choice of relying on *open recruitment* or *pre-selecting* the employees they want. Most companies tend towards the latter. All the German corporations took great care to plan the career progression of their managers: to the point where in practice the managers are chosen for foreign postings and have little choice but to accept - if they want their progress to continue. At the other extreme one Swedish organisation advertises all foreign postings to all staff and recruits from amongst the applicants. The Swedish companies in general have more open recruitment and selection policies. Even those Swedish MNCs that have highly elaborate career planning systems tend to use a system of applicants for advertised positions. In industrial terms there is a sectoral progression, with the oil companies tending towards pre-selection, and open recruitment becoming more widespread as one goes down the scale through electronics and airlines to food and drinks and the international banks.

The third policy option facing the MNCs concerns the issue of *career expatriation*. Again, two extremes present themselves. Some organisations have a policy of restricting foreign assignments to a single posting: others expect managers who operate abroad to remain outside the headquarters country for at least most of their careers - the "career expat".

* quoted in "four by Four" in Training and Development Journal
December 1985 p 23

Overall, France and the UK tended to opt for the "send best" strategy rather more frequently. All the airlines use both approaches: developmental for lower level transfers and "best available" for country managers. The banks most frequently send their best people on foreign assignments and are least likely to use them as developmental. Other industries use either approach as seems relevant. To a considerable extent this choice of strategies is determined by size. Where foreign operations are large, companies have the option of using middle level positions as developmental jobs for headquarters staff. Where the operations are small that possibility is significantly reduced.

Criteria for Selection

In contrast to the limited academic consideration of MNC policies on expatriate selection there is a good deal more literature on the criteria used for their selection. There have been several useful reviews of this literature (see especially Mendenhall and Oddou 1985; Zeira and Banai 1985), but the conclusion seems to be that there is still very little agreement on relevant criteria. Successive authors have tended to adapt previous categorisations of criteria, or to develop new ones, so that comparability between studies is limited.

Many of the American studies - and most of this literature is American - used the Business International list of 15 categories (Business International 1970): experience, adaptability and flexibility, technical knowledge of the business, competence, ability and past performance, managerial talent, language skills, potential, interest in overseas work, appreciation of new management and sensitivity, proper education, initiative and creativity, independence, good ability to communicate, maturity and emotional stability. It became clear, however, that this broad list of non-discrete categories was inadequate and although some researchers (Gonzales and Neghandi; 1967; Tung 1982) felt able to work with the list they found themselves forced to supplement it with other categories: family adaptability in Gonzales and Neghandi's case; family, age, sex, previous work overseas and respect for culture in Tung's. Other authors have noted other criteria not contained, at least explicitly, in these lists. Thus Ivancevich (1969) adds sincerity and integrity; Hays (1972) uses interpersonal relations; Miller (1972) includes leadership skills, ability to command respect, general perceptiveness and grasp of problems and administrative skills. Zeira and Banai include many of these other categories plus country of origin and "appearance (dress and looks)". (Zeira and Banai 1985 p 41).

In general, more recent authors have tried to develop more discrete, wider categories. Rehfuss identifies five groups: "relational" or interpersonal abilities; "cultural empathy" including motivation, language, maturity "and an 'x' factor, operationally defined as the ability to live abroad"; technical skill; domestic performance; and spouse and family (Rehfuss 1982 p.39). Torbiörn identifies eight criteria: adaptability, language, motivation, level of education, social manners, family adaptability, medical status and status of the job. (Torbiörn 1982). The most serious attempt to synthesise these lists of criteria comes from Mendenhall and Oddou. They see four categories: self-orientation - which includes reinforcement substitution, stress reduction and technical competence; others orientation - including relationship development, willingness to communicate and language; a perceptual dimension; and cultural toughness (Mendenhall and Oddou 1985).

The point is made in some of these studies that the criteria for selection may vary by type of expatriate (Tung 1982), by country (Tung 1982; Torbiörn 1982) and by position within the organisation. On this latter point studies have been made of the different emphasis in criteria between headquarters staff and the expatriates themselves (Ivancevich 1969) and differences between these two groups and host country executives (Zeira and Banai 1984, 1985).

In the present study the executives interviewed were asked, unprompted, for the key criteria used by their corporation in selecting expatriates. 16 separate criteria were identified, and are listed here in order: those mentioned most frequently first.

	Companies mentioning
- technical expertise	18
- language	12
- family support	12
- potential	9
- knowing company systems	7
- experience	5
- marital status	5
- medical status	3
- independence	3
- motivation	3
- age	3
- liaison skills	3
- sex	2
- seniority	2
- helping high potential employees avoid military draft.	1

Variations on the theme of technical expertise were mentioned by 4 out of 5 French companies and most British MNCs. In sectoral terms 4 of 5 airlines mentioned technical expertise, and so did 4 of 5 petroleum companies. Language was raised most frequently by Dutch and French companies, but was not mentioned by a majority of MNCs in any sector. Companies in both the electronics and banking sector were the ones to stress family support most frequently. Otherwise, although most companies mentioned two or more criteria there were no obvious country or sector differences.

The list is much as indicated in previous research. *Technical expertise* is the common thread in all studies. *Language*, *family support* and *potential* all show a higher rating than most US studies indicate. *Knowing company systems* is more unusual. This included factors relevant in the host country (knowing which documentation was critical, understanding the ramifications of certain actions), as well as factors relevant to HQ (knowing where to go to resolve a problem, who to call for approval, or how to explain local difficulties in a way that HQ would understand).

Selection Systems

1. There are a number of issues which can be subsumed under the heading of "systems" of appointment. Although they have, with one or two notable exceptions, been ignored in the literature they are important aspects of the recruitment process and are often handled quite differently by different MNCs.

Company-wide recruitment for expatriate appointments is the norm but there are some variations. The petroleum companies tend to be divisionalised on a product or regional basis and to recruit for expatriate postings divisionally. This is the only sector to use regional recruitment. 2 of the food and drink companies make most of their expatriate appointments on a product division basis. 1 of the airlines recruits for these postings on a functional basis - sales, finance, personnel etc - with very little co-ordination between them. There are no obvious national differences here.

Line management responsibility is a principle upheld by most organisations but applied very differently in practice. Nearly all organisations have one, or a few, personnel specialists whose prime function is the selection and management of expatriate staff. In the service sectors - banking and airlines - the role played by these specialists is in general pre-eminent. Although in many cases their role is formally to make recommendations to senior line managers, in fact they expect their recommendations to be actioned. In most of the manufacturing companies the personnel specialist plays a more limited role: often being expected to do no more than provide a list of potential candidates. Amongst the different countries the line management plays a more significant role in France and Germany than in the other countries.

Computerisation of the manpower planning system is, as one would expect in such companies, often highly advanced. This is particularly so amongst the companies in the electronics sector. More remarkable is the fact that some of these major MNCs had systems which were either largely uncomputerised or where computerisation plays a very limited role. The banking and food and drink sectors made much less use of computerisation. Amongst those companies which had more extensive computerisation, in these two sectors, and in the airlines, a more limited use is made of the material. Dutch and German MNCs are more likely to rely on computer material to aid or direct their selection.

Committee selection is widespread, but, like the role of the personnel specialist varies considerably in practice. A powerful personnel specialist, particularly one armed with detailed computer printouts, can organise a committee so that, in reality, their "decision" is always predetermined. In other cases the committee meets regularly (fortnightly or monthly) and makes a detailed and time-consuming review of all expatriate postings and come to decisions with which the specialists disagree. The committees play a limited role in banking and in some of the airlines, and in general terms are less significant in Sweden and Britain. However these statements are put forward cautiously. Nearly all companies have some form of committee system and there are examples of powerful and less powerful committees in all sectors and countries. From this research it is impossible to draw conclusions as to the extent to which this wide variation is determined by calculated company policy and the extent to which it is the result of a gradually increasing reliance on an experienced and successful personnel specialist.

Personal knowledge of their expatriates was emphasised by most companies, however sophisticated and computerised they were. In nearly all the organisations seen one person, or a small number of peoples in the personnel department made it their business to know each expatriate as an individual. This would include much more than their career history and work situation. It would involve close knowledge of the expatriates' personality, style, likes and dislikes, hobbies and pastimes. It would extend to knowledge of, and often acquaintanceship with, their family and friends. This personal knowledge was identified as a key factor in recruitment and placement by all but one of the Dutch, German and Swedish companies and by a majority of the other countries (UK 4 out of 7; France 3 out of 5). Sectorally the petroleum companies, generally dealing with larger numbers and often regionalised, laid less emphasis on this personal knowledge. All the banks, all the food and drink companies, 4 out of 5 electronics companies and 3 out of 5 airlines all stressed personal knowledge on the part of personnel specialists as important in the selection and placement process.

Selection interviews were used by all the MNCs. The form differed. In some cases these were rather formal panel interviews where a number of candidates were competing for posts. This occurred in only 4 of the 25 companies, however. In the majority of cases the selection decision had in effect been reached prior to the interview. The interview itself, which usually was conducted by a personnel specialist with or without a line manager present, then took the form of a negotiation about whether the posting would be offered and accepted and what terms would apply.

Four of the companies "interviewed" the spouse as well as the employee. This is a strikingly lower figure than that found by Tung, who had questionnaire returns from a sample of European companies which was much the same size as the present study and covered the UK, Germany, Sweden, Netherlands (but not France) and also included Norway and Switzerland. In her study Tung found "for management-type positions, a full 41% of the companies interviewed both candidate and spouse" (Tung 1982 p 65). The figure for joint interviews for technically oriented positions was 38%. If the present study were translated into percentage terms it would show only 16% of companies interviewing the potential expatriate and spouse.

There is no obvious explanation of this difference available from the present research. Speculative suggestions might include the possibility that companies which have particular approaches to expatriate selection are more likely to respond to a questionnaire; or that the situation has changed over the six years between the studies; or perhaps the most likely explanation is that companies which have a very detailed knowledge of the spouse have included that fact in the questionnaire as "interview" but in discussion in this study have been able to be more specific about how they assess the spouse.

Formal testing for expatriates was also very limited in the MNCs covered in this study. In fact although about one third of the companies (9 out of the 25) used psychological testing, and will have put their expatriates through the procedure, only 4 use it regularly prior to first expatriate posting. Even in these organisations senior management views or straightforward operational necessity may lead to the test results being ignored. None of the four companies had a specific cultural awareness or adaptability test - some were very sceptical of the validity of such an instrument. Instead they attempted to draw

conclusions from general psychological tests; for example, those taken on promotion into management.

This is more in line with Tung's findings. She reports 21% of European companies using "relational" tests (Tung 1982 p 64) and indicates also that these may include such factors as "judgement by seniors" (Tung 1981 p 75).

The Appointment Process

Two further points apparent from the research have a significant bearing on the appointment of expatriates. These concern the time between appointment and transfer and the length of the posting in the foreign country.

Appointment to transfer time varies considerably, from "be there yesterday" to over twelve months. Again, there has been little research on this aspect although studies have argued that this time lapse is too short (Baker and Ivancevich 1971; Tung 1981). The research that there is indicates that the time period is often quite short. Amongst Swedish expatriates one study found that half of them had less than 3 months to prepare for the move (Torbiörn 1983 p 52) and in the US it is usually less than three months, often less than one (Baker and Ivancevich 1971 p 40).

The companies in this study were asked what their most usual time lapse is, and how often operational requirements dictate an earlier transfer. In practice there were three difficulties for some organisations in responding to these questions in any simple way. First, the answers often varied by type of expatriate (for example technical specialists on short-term assignments are often needed on an emergency basis); by Division or function (Sales Directors or Chief Executive in a country usually have to be replaced fairly instantly; administrative posts can be delayed longer); and by country (Belgium can be administered from HQ for a while if the HQ is in France, Austria from a German HQ, etc.)

The second reason for being unable to give a simple answer however is that in some cases it is difficult to identify the point at which the decision to send on foreign assignment is made. Thus equipment maintenance specialists in a food and drink company may be keeping a watching brief on a particular foreign plant. This may include some short visits, or one lasting many months, depending on the problems the plant experiences. Any lengthy stay which does occur can be easily recorded; it is much more difficult to assess the point at which the decision to expatriate was taken. Similarly, the international banks will often have a specialist "manage" a country from headquarters for quite a lengthy period, visiting it on occasion, prior to the eventual transfer.

The third problem facing the respondents was that none of the companies had, or had collated, figures on this issue. They were unable to provide hard data and the results obtained are therefore impressionistic. Of course, the impression of a group of specialists handling often quite small numbers of cases are likely to be quite accurate, but together with the first two difficulties this is clearly an area where further research is required.

With these points made as caveats it is still possible to identify some general trends. 7 companies usually have less than three months elapsing between appointment and transfer; 7 have 3 - 6 months; 7 have 6 - 12 months; and 4 have more than twelve months elapsing as normal practice.

There is little variation between countries here. Most have examples of different time-lapse periods, though none of the German companies "usually" make appointments with less than three months elapsing. Airlines are most likely to make the posting within three months of appointment (3 out of 5) and banks the least - all the "more than twelve months" cases were banks.

All the companies recognised that emergency operational requirements may mean that these time-scales are drastically curtailed, or, occasionally, lengthened. This is more likely for technical, short-term, postings; in British and Swedish companies; and in the airline and food and drink industries.

Length of postings tend to be more standardised. No information was gathered on short-term technical assignments. For managerial postings there is a clear focus on a three/four year tour of duty. Legal requirements in some European countries have led a few MNCs to adopt one-year contracts (Smith 1974), but the research was concerned with "usual" time spent in a foreign posting. One company in Sweden and one in Germany have less than three years as a standard posting. One company in each of Germany, Sweden and the Netherlands, and 2 MNCs in the UK, have standard posting of four years or more. Sectorally, 3 of the 5 airlines have posting which normally last four years or more. Otherwise the majority in the other sectors have 3 - 4 years postings. Most companies try to keep posting in "hard" countries shorter than those in the ones regarded as more pleasant.

On this issue too all companies reported that it is impossible in practice to maintain "standard" policy in all circumstances. Each expatriate move tends to generate a "chain reaction" of repostings and repositioning which means that in practice there will always be some postings which last longer and some which are much briefer than others.

Discussion

Overall the results of this study are in line with previous research findings. Previous work is extended by an examination of recruitment policies and systems as well as the criteria used for selection.

In broad terms European MNCs tend to recruit expatriates from amongst current staff and to prefer a significant degree of preselection rather than open recruitment. Hence, selection "interviews" when they take place are not primarily competitive. The companies with more expatriate positions use both single postings and career expatriates and often use more junior positions for management development (and management assessment) purposes.

The responsibility of line managers for selection of expatriates, the computerisation of information and the widespread use of committee selection procedures are all heavily modified, in practice, by the reliance of these MNCs on one or a small group of specialists whose task is to "know" present and potential expatriates. This knowledge will often be detailed and personal and extend to their families. It is implicit in the results obtained here that most of these corporations believe that this provides them with better information than the most rigorous selection and testing techniques.

The selection criteria identified here are similar to those identified in previous research, though the European MNCs seem to lay particularly heavy stress on technical expertise and indicated that a close knowledge of company systems was an important feature. This has not been explicitly distinguished by previous studies.

TRAINING

Comparisons

There is a substantial literature, at least from the USA, on preparation of expatriates for their foreign assignments. The clearest message to come through from this is that very little preparation takes place. Despite the importance of expatriate positions, the high costs associated with expatriation and the extensive and largely non-productive "running-in" periods, it is still the case that most organisations provide no formal training for expatriation.

Studies in the 1970s found that amongst US MNCs only two thirds provided any training at all (Baker and Ivancevich 1971; Lannier 1975) and less than 25% provided any formal orientation training (Baker and Ivancevich 1971; Lannier 1979). In the 1980s a study of the largest US MNCs found that "only 25 percent offer extensive predeparture orientation training programs" and "less than half the respondent firms top management believe language facility is important and only 20 per cent of their firms require language for the overseas assignment" (Baliga and Baker 1985 p 35). The expatriates themselves are significantly more enthusiastic about training programmes and languages. Other research however shows around 40% of American firms providing cultural orientation and two thirds providing language training (Tung 1982 p 66).

Evidence for European MNCs is rather sparser. There is some evidence that the European's did more training in the 1970s (Torbiörn 1983) and do more now in the 1980s; more than half of Swedish companies provide formal training (Torbiörn 1983 p 52) as did about half of a general survey of European corporations (Tung 1982 p 66). Both these last two studies found the Europeans providing significantly more language training.

Findings

This research looked at a range of developmental techniques, including specific training courses. These were divided into five broad categories:

- shadowing
- looksees
- informal briefings
- overlap
- formal training courses
- language training

Three companies stated specifically that they provided no additional training in any of these categories (though one of these in fact provided language courses). The 3 were from different countries and sectors. In each case the rationale was that the company's general training programmes were particularly good, that for that company managing in one country was much like managing in any other and that the process of learning how to adapt was in itself developmental.

23 of the 25 MNCs provided additional developmental opportunities for expatriates. 6 companies (4 of them banks) provided "shadowing" opportunities. In these cases the potential expatriate acts as a headquarters link with responsibility for a particular

country prior to moving there on assignment. This may be for just a few weeks or can last for a year or more. It may well involve developing a close knowledge of the foreign country, meetings with current expatriates at headquarters and sometimes visits to the country concerned.

"Looksee" visits are used as a matter of policy by 3 organisations; not surprisingly, they were all airlines. They are also used by 3 other organisations on an occasional basis, particularly for posting within Europe. (Torbiorn 1983 reports half the Swedish MNCs using such visits). Several companies made the point that nowadays their young managers in particular are far more widely travelled than was the case a couple of decades ago. It is far from rare, therefore, in postings in Europe or North America to find that the expatriate has already been to the country one or more times either on business or, more likely, on vacation.

The most common method of preparing expatriates for foreign assignments is *informal briefings*. 14 of the MNCs have policies of encouraging and organising such briefings. Tung (1982) identified a very similar proportion amongst European companies, though it is unclear how she defines the term. (They may also occur in the other MNCs, but on the expatriates own initiative). This is most common in UK (all 7) German (2 of 4) and Dutch (3 of 5) companies; and most widely used in the airlines (3 of 5), food and drink (3 of 4) and banking (5 of 7) industries. The form of those briefings varies. In some cases they are short meetings with a personnel specialist supplemented by the use of books, articles, country reports and videos. In other cases they can be very elaborate 'events' with the expatriate and family meeting on several occasions with families who have returned from the country. Companies using this approach all reported that "all" or "most" of their expatriates went through the briefing process.

Arranging *overlaps* between tours of duty so that the outgoing expatriate can coach the incoming replacement is a costly but potentially effective method of preparation. 4 companies, from different sectors and countries, use this approach. None of them used it for "all" expatriates: 3 used it for "most" and 1 for "some". In all cases the aim was to arrange a one-month handover period, though this could in practice be shorter or longer.

Formal training courses specifically designed to assist the expatriate with settling into and operating in a foreign country were provided by 10 of the MNCs. This appears to be a rather lower figure than other studies have found amongst European multinationals. These training courses could take a wide variety of forms. 7 of the companies used external providers: most commonly mentioned were the Royal Tropical Institute in Amsterdam, Farnham Castle in Surrey and the German Protestant Church Institute. 4 companies, including some of those using external providers, organised training programmes in-house but using specialist speakers from elsewhere. These would normally be business school or university specialists but might also include speakers from a Consulate or Embassy, a trade mission or a tourist agency. 2 companies, both Swedish, have established a special in-house group providing 1-3 day seminars on foreign countries and selling their services outside the organisation as well as internally. With all these options only one company is prepared to state that "all" its expatriates attend a training course prior to taking up a foreign assignment.

The nature of these formal training programmes varies: they tend to be either 1-3 days or one week in length. Most will include the spouse in the programme and they will generally be concerned with practical issues of living in the country such as housing, telephones, food, the traditions and customs of the inhabitants, local laws, driving conditions). Over half the programmes included an element of cultural orientation. Only one of the special in-house groups included sessions designed to assist the expatriate directly at work: "working in"

Language training was widespread. 15 companies make explicit provision for it (and in fact all but 2 companies do make special arrangements if necessary). All the German and all the Swedish MNCs have specific provisions for language training. The specialists in both the airline and petroleum industries pointed out that English is the "international language" of these industries and that most potential expatriates will speak their national language and English as a matter of course. This will enable them to operate in most circumstances. It would appear that English is also important in the banking industry though there is by no means the same uniformity as there is in the airline and petroleum sectors. Food and drink and electronics have no common international language, and it might be thought that language training would be a greater requirement here. However only half the food and drink companies make specific provision for language training.

assessing the value

As would be expected the companies that provide preparation are supportive of its value, those that do not are sceptical. The 6 companies that use shadowing all find it to be extremely valuable, though they grant that it may be difficult to organise. The 6 that use "looksee" visits are less positive. There is some questioning of the value of these brief trips as set against the cost of transporting the whole family.

Informal briefings are used as a policy by 14 of the MNCs and by a much larger proportion of expatriates. If the company does not organise such events the expatriates themselves will. The value is clear: particularly, perhaps, the reassurance of meeting someone who "survived" the posting. Given the low cost of these meetings and the associated reading or video material they are likely to remain a prime method of preparation. Overlapping transfers can be seen as a detailed extension of this method: but are difficult to arrange and costly in terms of keeping two families on station for the one job. The companies that use this method see it as extremely useful and point out that it reduces the "running-in" time and in fact may be a more productive and cost-effective way of making the transfer.

All the 10 companies that use formal courses believe that they more than repay the cost. 6 of these companies and 8 of the remaining 15 are all in the process of considering ways of providing training for more of their expatriates. The other 7 companies see no need to provide formal courses.

RELATED ISSUES

This section of the report deals with six issues which affect the management of expatriates but were not the focus of the research:

- third country nationals
- remuneration
- running in
- evaluation
- failure
- coming home

These issues were raised frequently, information was gathered on them and they are clearly matters of concern to the MNCs. They seem, therefore, worthy of comment, even though the selection and training focus of the fieldwork means that in most cases the quantifiable data is much thinner.

THIRD COUNTRY NATIONALS

Several MNCs raised the question of third country nationals (TCNs), though the numbers involved are small. The largest proportion is found in one Dutch company where 15% of the expatriates are third country nationals. 4 of the 5 Dutch companies in fact have at least one TCN and at least one company in each country has some. In some cases definitions are problematic: "for us" said one French personnel specialist "The Belgians are counted as French". Several of the companies, particularly in the electronics sector, have recently adopted deliberate policies aimed at increasing the number of TCNs in the expatriate workforce, or, in an associated policy, encouraging foreign managers to work at headquarters. The rationale for these developments is expressed both in terms of fostering the international atmosphere within the company and of utilising the best talent available to its maximum.

REMUNERATION

Employing expatriates on foreign assignments is a spectacularly expensive process. Payments to the expatriate tend to be high and can be accompanied by a range of other costs:

- costs of transfer (recruitment and selection; home country relocation; briefing, preparation and training; removals and storage; air fares for the family; temporary hotel accommodation; overseas relocation).
- continuing costs (expatriate salary; school fees or boarding school fee assistance; medical; insurance; housing; pension at home; car or transport; clothing allowances; family visits home).
- overhead costs (the establishment and operation of a specialist expatriate section; communications and flights; senior executive time).

Some comparative information was obtained on company policies in the continuing costs area.

In all cases the remuneration package is developed from a base of *home salary comparability*. In other words the MNCs start by trying to ensure that the expatriate is no worse off whilst on assignment than if they had continued a career at home. One Swedish organisation automatically takes the spouse's current Swedish salary into account too.

This base figure is then adjusted for *cost of living criteria* in the host country. All but three of the MNCs are members of one, or usually a series, of "salary clubs". These are organisations, such as the UK based Employment Conditions Abroad (ECA), which monitor the "pannier de manger" in each country and provide advice and guidance on comparability of living standards. There is a large number of these salary clubs, international, national, or industrial, providing more or less detailed and more or less relevant information. Thus the international clubs provide very detailed analyses of the particular country; the national salary club, usually run by an employers' association, provides cheaper but more limited material on comparisons with the home base and the

industrial club may well provide comparative salary data on, for example, a particular post in banking in the host country. 22 of the 25 MNCs were members of a salary club and the other 3 claimed to have access to reliable data through their subsidiaries or through informal contacts. 15 companies were members of more than one network, often members of several.

For transfers within the developed world this comparability element is more of a problem for UK companies than for Swedish ones, for example, given the higher salaries in Sweden. The way companies use the information in the developing societies differs: some adjust downwards (at this stage of the calculation, though never on the final sum); some arrange "off-shore" payments; and others ignore cost of living figures which are lower.

After home base salary and cost of living adjustment many companies pay a "*hardship allowance*". This can vary up to 25% of the salary. Many countries were mentioned on the hardship scale and the numbers may just reflect the countries this sample operated in: most often mentioned was Nigeria, and five countries were mentioned by more than 3 MNCs: China, Iraq, Sri Lanka, Sudan and USSR. Two companies, both in the electronics sector, have a policy of making no hardship payments but allowing more trips home, longer holidays and so on.

A small number of companies make yet further adjustments to the salary arrived at by the three criteria above. There may be *taxation adjustments*, *expatriation allowances* (particularly for UK companies) *foreign assignment premiums* (common in the food and drink sector) and companies will often make currency adjustments or arrange for payments arrangements which are beneficial to the expatriate. A particular problem concerns pension payments, which in most cases are maintained in the home country.

The question of the *allowances* which go with the remuneration package is particularly significant both in terms of making the overall position attractive to the expatriate and in terms of the costs to the employer. The sector is a clear differentiator here: as one would expect the airlines can afford to be very generous with visits home. At the other end of this scale the food and drink companies are limited to one visit home per year. Other elements of the package (medical and insurance cover, school fees support, housing or housing allowances) are common, with details being negotiated on the basis of country and individual.

RUNNING IN

The first few months of an expatriate assignment are of a different character from the rest. For the expatriate this is a period of settling in, both in the work place and, with the family, in the society. This is not always an easy matter. A study of British expatriates who had returned home because of psychiatric disorders found that a disproportionate number of them collapsed during the first nine months. "The majority of the men and women employees who broke down in the first nine months did so because they were unable to adjust to their new life abroad" (Dally 1985 p 103).

For the national employees in the host country also this is a crucial time period. They have to assess the new individual and whether they are dealing with an "active" or a "passive" expatriate. For managers in particular this is the time when their local subordinates attempt to mould the new manager to their preferred style.

This is also an important time for the organisation. Given the points made here the expatriate manager has two choices. The first is to take things very cautiously, make strictly limited and recoverable decisions, whilst attempting to assess the situation (and especially the immediate subordinate managers). The second is to rely on knowledge of company systems and managerial expertise and risk taking decisions without a full understanding of the local situation. The second option is more open to expatriates who have been posted for their technical rather than their managerial expertise.

Inevitably this means that there is a "running-in" or settling-in" period during which the expatriate is less productive. The MNCs in this study found it difficult to estimate how long that might be on average, making the point that this would vary with function ("twice as long for managers as for technical specialists" as one specialist put it), with position in the company ("some jobs are very much more concerned with interfacing with people outside the company") and with the country ("some places you never adjust to"). In so far as company specialists felt they could make estimates they tended to agree with the findings of an earlier survey: "about six months is regarded as normal" (Torbiorn 1983 p 151). The limited and cautious estimates made by respondents to this study should not be given undue weight but seem to indicate that Dutch and UK companies anticipate a rather shorter running-in period: French and especially German companies anticipate a rather longer period. The response was insufficient to establish any differences between sectors.

EVALUATION

Given the cost of an expatriate and the important role they perform it would be anticipated that MNCs monitor and record their performance rather rigorously. The literature on this point is admittedly not entirely up to date nor pointing uniformly in one direction. Nevertheless it seems to show that, at the minimum, vigorous performance appraisal systems are far from universal (Heenan 1970; Hays 1971, 1974; Benson 1978; Newman et al 1978; Mira and Fabricatore 1979; Abe and Wiseman 1983; Baligan and Baker 1985).

Only half the companies in this study (13 of 25) have formal appraisal systems for expatriates. There were clear national and industrial differences. The German and Dutch companies all had formal performance appraisal systems - though one German company, not included in the 13, said that in practice the system just did not apply to higher level expatriates. Swedish companies tended to look at financial results for the area and not appraise individual managers. Several companies supplemented the appraisal system with interviews by peripatetic specialists from headquarters and two companies, 1 Dutch and 1 British had entirely separate expatriate evaluation systems.

The airlines place little reliance on appraisal systems, though 2 of the 5 use them. Instead they have a complex and comprehensive system of reporting-back: daily analysis

of throughput, bookings, turn round times, delays and a host of other data. In general the banks use appraisal systems widely (6 out of the 7) and all the petroleum companies use it.

The evaluation issue is a complex one. It is obviously crucial for the MNCs to be able to assess the performance of this critical group of staff. The problem is one of method: there is no obviously correct way to assess the performance of someone operating many hundreds or thousands of miles away in circumstances not fully understood by the appraiser. If the companies rely on objective data (sales figures, productivity measures and the like) they may be unaware of the fact that first-class local managers are "carrying" the expatriate. They may not know of favourable circumstances unknown to headquarters which the expatriate will not be particularly motivated to emphasize. Equally they will find it difficult to assess the importance of particular local problems which the expatriate may bring to their attention. If the companies rely on formal appraisal systems, even if supplemented by visits, there are the difficulties created by a lack of understanding of the local situation and the opportunities and difficulties that it includes. These problems are compounded by informal evaluation methods.

In the circumstances most MNCs rely on a series of different techniques mixing formal and informal appraisals, visits to and from headquarters and examination of operating or financial statistics. It would not be unfair to suggest that considerable weight is given to the "gut feel" of specialist personnel or senior line executives at headquarters.

FAILURE

The literature indicates a substantial failure rate for expatriate assignments. The definition of "failure" raises some problems, which will be discussed below. In general the literature refers to assignments where the expatriate had to be brought back home prematurely (ie before planned) as a result of problems experienced by themselves or their families, or by problems they have created for the organisation.

Much of the research has been conducted amongst American MNCs and reports alarmingly high failure rates. Henry (1965) reported a figure of 30% and this was repeated in a study published five years later (Business International 1970 p 1). Similar figures have been used since: 30% (Robinson 1978 p 299); over 25% (Misa and Fabricstore 1979); about one third (Lanniar 1979 p 160); one third (Kobrin 1984). In most cases it is unclear where the figures originate. Attempts have been made to differentiate between countries, so that it has been stated, again without much evidence of the origin of the figures, that whilst most US assignments overseas have a failure rate of 30- 50%, this figure rises to 70% amongst developing countries (Desatnick and Bennett 1978 p 173).

Some studies, with a stronger research base have found figures much worse than the usually-quoted one third. A study of the America construction industry found a 65% failure rate (Edwards 1978) and a study of two US MNCs in Iran found failure rates of 50% and 85% (Harris and Moran 1979 p9). However the most detailed study shows that the situation may not be quite that bad. Amongst a sample of 80 US MNCs 24%

reported a less than 10% failure rate; 69% reported a 10-20% failure rate and only 7% reported a higher figure (Tung 1982 p 68).

Tung also reports on a sample of European MNCs reasonably comparable to the present study. She reports 59% of companies having a failure rate of less than 5%, 38% having a failure rate of 6 - 10% and only 3% (one company) reporting between 11 and 15%. (Tung 1982 p 68). Other research based material is sparse apart from a surprising 40.2% premature return for Swedish expatriates found by Torbiorn (1982 p 44). This study finds failure rates much more in line with those found by Tung.

The present study found low rates of recall to home base. The MNCs were asked for actual numbers over the previous five years, and these were then translated into percentages by a later comparison with numbers of expatriates. In many cases the executives interviewed were able to recall the particular individuals involved: indicating the very small numbers concerned. 9 of the 25 MNCs had failure rates of less than 1%. 4 had 1-3%; 5 had 3-5% and 7 companies had failure rates of 5-10%. Only one of these last 6 had more than 7%. In the same terms as Tung's research this study, therefore, shows 72% of companies having a failure rate of less than 5%; and 28% having a failure rate of 5-10%.

There are some significant national differences. 3 of the 6 companies with the highest failure rates were French. All Swedish companies had failure rates of less than 3%. (A marked contrast with Turbiorn's findings).

In terms of industrial sector the oil companies have fewer failures (all below 3%). The airlines and the electronics companies are split, with, in each case, 3 companies with failure rates below 3% and 2 with more than 5% of failures.

discussion

The findings here raise questions about previous estimates of failure rates: related in particular to the fact that the figures in this study are so much lower than previous estimates. There are three straightforward explanations of the difference: it is likely that each has some effect on the figures being so different.

1. Failure rates have declined over time. This is likely because MNCs do learn from experience. They will get better at their management of expatriates. In particular better preparation will reduce failure rates.
2. Different industries and nationalities will have different failure rates. By focussing on European MNCs within particular industrial sectors this study has isolated a group of MNCs which have lower rates than, for example US construction industry companies. Again this argument seems on the face of it to have some validity.
3. Methodological differences will account for some of the difference. Previous reports which have used either researchers or respondents estimates of

percentages are likely to be much less exact than this study which compared raw numbers of failures with raw numbers of expatriates.

Of course, even a single failure, in the sense of an urgent requirement to repatriate, can be traumatic: and not just for the expatriate and the expatriates family. The high costs associated with the failed expatriate, their replacement, and the management time and resources devoted to the change can pale into insignificance compared to the damage that the MNC can suffer as the failure becomes apparent to host country staff, customers and often Governments.

Nevertheless many MNCs in this study were quick to point out that a definition of failure which relies upon the early return of an expatriate can seriously underestimate the problem. A senior manager or a key executive in a foreign country may be performing well below requirements. They may not be recalled: it is easy to make such under performance less obvious, as we have seen; equally superiors may well be aware of the lack of performance but judge that the difficulties, the cost, and the "loss of face" involved in a recall outweigh the performance problem.

It was not found possible to quantify this aspect of "failure". Some of the MNCs claimed that their selection procedures and performance appraisal systems would prevent this form ever happening. Others were prepared to admit that it happened: but unable to quantify the extent of the problem. Some of the specialists spoken to pointed out that most organisations have as yet found no clear way to quantify or to manage poor performance amongst their headquarters staff operating in a known and familiar environment. In which case it is unsurprising that they find the problem of expatriate underperformance a complex and difficult one. With few exceptions respondents were prepared to make "well-informed estimates": in all cases these were that underperformance was a more frequent problem than failure of the kind that required repatriation. There was a general impression that it might be "two or three times" as common.

COMING HOME

The position of the expatriate who returns home at the expected end of a tour of duty with no hint of failure is not, by contrast, straightforward. Indeed this was raised as problematic by a majority of companies in all countries and in all sectors. Some had very few problems: companies which had "single posting only" policies usually found the return to be without difficulty. For most companies though the return home can create difficulties.

It has been argued that the answer to this problem is adequate career planning. (Howard 1979, 1982) The specialists seen in this study were sceptical. They point to the need for emergency moves, to the tightening up of job opportunities at headquarters and to the fact that not all the problems relate to the availability of jobs.

Two companies stated that the problem was "getting them to come back". The expatriates felt that their salary or life style or their ability to control their own, albeit small, operation could not be replicated at home.

For most MNCs the problems revolve around expatriates who wish to return home, but for whom there is no suitable job available; or do return home and find difficulty in adjusting. Most expatriates have become used to being in charge of an operation, exercising independence. They have become used to a high salary and a life-style which is in many cases "cushioned" by company housing, servants, expense accounts and paid-for schooling. Career expatriates can often develop rather unrealistic memories of "The Old Country". The return home can threaten all these assumptions.

In practice, with a limited number of top jobs available and, in most companies a headquarter's staff which is being reduced in size, the job options back home are severely limited.

Most European companies give informal, and sometime formal written or legal, guarantees of a job in the home country. This is in contrast to the USA where such guarantees are rare. The UK companies are less likely than others to give formal guarantees and in some cases have recently taken deliberate policy decisions to stop doing so. Nevertheless, whatever the contractual or legal situation European expatriates have an expectation of a return to a job at home.

In these circumstances most companies have coped with rather than solved the problem. They use holding periods ("furlough" in the military jargon favoured by some British MNCs), the creation of temporary or new jobs and reassignment of tasks to create space for the returnee. Some companies are now trying to be rather more positive. One German company tries to ensure that career expatriates can choose the country of their final posting. Their remuneration package will be maintained even if the job available is of a lower status. This final posting can, of course, be in the home country. One of the Swedish companies now runs regular repatriation courses for managers prior to their return to Sweden.

REVIEW

Overall this study has found that amongst European MNCs, there are noticeable differences in policy towards the management of expatriates. In many cases these differences are correlated with either the national base of the MNC or the industrial sector.

This final section attempts to draw some general conclusions looking at European MNCs from all sectors together.

Things ain't what they used to be

Several of the specialists who deal with the management of expatriates made the point that in many ways expatriation has changed. In the words of the play: "things ain't what they used to be". These specialists would point to the wide spread of radio and television (often broadcasting European programmes and news); the general availability of telephone and fax linking throughout the world; the development of relatively cheap and frequent air transport links. The effect of these changes is that the expatriate is not so isolated from home as was once the case. This is not only socially less stressful, but may mean that the role they play is different.

By contrast several specialists pointed out that whatever the differences expatriates are still extremely expensive, in vital positions for the company, and their success is crucial to company performance and image. Compared to other managers, for example, expatriates are in general in an even more stressful and pressurised situation. This being the case, the effective management of this group is of considerable importance.

Selection

Most of the MNCs in this study appeared to be reasonably content with their selection procedures. With small numbers of expatriates, and potential expatriates, the specialists are in the position of knowing each one personally. This seems to be at least as important a factor in selection as the system, the policies or the criteria adopted.

Simple analyses of the selection procedure can be misleading. In practice most of the companies use a complex of different approaches, different sources of information and different mechanisms for recruitment. These are linked together through the comprehensive and often informal role played by the headquarters specialists.

Some changes are foreseen. Several of the MNCs see a likely growth in the use of third country nationals. Several see a potential problem arising with the growth of dual career families: both in terms of limiting the availability of qualified staff, and in terms of the need to take this factor into account in the selection of those who do put themselves forward for expatriation. A few of the companies in this study anticipate a growth in the numbers of female expatriates, though this has in practice been slow to develop so far.

Training

The MNCs are less sanguine about the preparation of their employees for foreign assignments. There is a general feeling that this can be done more effectively: the problems are in identifying and organising appropriate training. The companies are conscious not only of the costs of failure and under performance, but more particularly

of the "running-in" time involved in any foreign assignment. If this can be reduced by training the benefit to the organisation is obvious.

Informal briefings and, where appropriate, "shadowing" are likely to remain the most widespread, and perhaps most relevant forms of preparation. Many MNCs however are looking at their more formal training: anticipating developing or extending it. Five possibilities were canvassed:

- training provision has to be more responsive. The time gap between decision and transfer is often short. Formal, lengthy and elaborate courses, booked well in advance, are simply not feasible in such circumstances. Therefore companies were looking for a capability to arrange brief but effective programmes at short notice.
- training provision has to be relevant. Courses covering whole areas of the world or a wide range of industries are less useful. What is needed are programmes which compare home base with host country and preferably are industry specific.
- training provision has to be work-related. Much of the current provision is about living in a foreign country (obviously useful) but tends to ignore or gloss over the actual of practice working in the country. 'What you will find when you get into the office' is missing from much of the training presently available.
- training for living in the country has to include members of the expatriate's family.
- ideal training provision might be carried out "home and away". This would involve a short course prior to leaving home base followed up by a more detailed programme once the expatriate had been on the foreign assignment for a few weeks.

ALMANEY A "Intercultural Communication and the MNC Executive", *Columbia Journal of World Business*, 1974, Vol 9.4 pp 23-8

ALPANDER G G, "Changing Patterns in Quantitative Decision-Making Techniques of Expatriate Managers" *Academy of Management Journal*, Aug 1973, pp 131-137

ALPANDER G G, "Use of Quantitative Methods in International Operations by U.S. Overseas Executives" *Management International Review* (Germany), 1976, Vol 16.1 pp 71-77

ADLER N J, "Women in International Management: Where Are They?" *California Management Review*, 1984, Vol 26.4 pp 78-89

ADLER N J, "Women Do Not Want International Careers: And Other Myths About International Management" *Organisational Dynamics*, 1982, Vol 13.2 pp 66-79

ADLER N J, "Expecting International Success: Female Managers Overseas" *Columbia Journal of World Business*, 1984, Vol 19.3 pp 79-85

ADLER N J "Re-Entry: Managing Cross-Cultural Transitions" *Group & Organisation Studies* Sep 1981 Vol 6.3 pp 341-356

ADLER N J "Women in International Management: Where Are They?" *California Management Review* Summer 1984 Vol 26.4

ADLER N J "Women Do Not Want International Careers: And Other Myths About International Management" Autumn 1982 Vol 13.2 pp 66-79

ABE H, WISEMAN R L, "A cross-cultural confirmation of the dimensions of intercultural effectiveness" *International Journal of Intercultural Relations*, 1983, Vol 7, 53-68

ADLER N J, "Cross-cultural management research: The ostrich and the trend" *Academy of Management Review*, 1983a, Vol 8, 226-232

ADLER N J, "Cross-cultural management: Issues to be faced." *International Studies of Management and Organisation*, 1983b, Vol 13 pp 3-45

BARDO J W, BARDO D J "Dimensions of adjustment for American settlers in Melbourne, Australia." *Multivariate Experimental Clinical Research*, 1980, Vol 5 pp 23-28

BAKER J C and IVANCEVICH J M, "Multinational Management with American Expatriates", *Economic and Business Bulletin*, Fall 1970, Vol 23.1 pp 380

BAKER J C, IVANCEVICH J M, "The Assignment of American Executives Abroad: Systematic Haphazard or Chaotic?" *California Management Review*, 1971, Vol 13.3, pp 39-44

BAKER J C, IVANCEVICH J, "Assignment of American Executives Abroad - Systematic, Haphazard or Chaotic" *California Management Review*, 1971, Vol 13.3 pp 39

BORRMANN W A "The problem of Expatriate personnel and their selection in international business", *Management International Review*, 1968, Vol 8 No 4/5 pp 37-48

BEEMAN D R, SIMONETTI J L, SIMONETTI, F L "Management Policies/Managerial Attitudes and Task Environmental Agents: A Cross-Cultural Empirical Examination" *Management International Review* (Germany) 1981 Vol 21.2 pp 67-77

BENT F T, "Managing Overseas" *Cornell Executive*, 1983, Vol 9.3 pp 45-47

BAKER J C, IVANCEVICH J M "The assignment of American executives abroad: systematic, haphazard, or chaotic" *California Management Review*, 1971, Vol 8.3

BREIN M, DAVID K H "Intercultural communication and the adjustment of the sojourner" *Psychological Bulletin*, 1971, Vol 76.3

BYRNES C F "Role Shock: an occupational hazard of American technical assistants abroad" *Annals of the American Academy*, 1966, Vol 368

BENT F T "Managing Overseas" *Cornell Executive Summer/Fall 1983* Vol 9.3 pp 45-47

BARRETT G V, BASS B M, Cross-cultural issues in industrial and organisational psychology *Handbook of industrial and organisational psychology*. Chicago: Rand-McNally College Publishing, 1976, 1639-1686

BENSON P G, "Measuring cross-cultural adjustment: The problem of criteria" *International Journal of Intercultural Relations*, 1978, Vol 5, pp 21-37

BREIN M, DAVID K H, "Intercultural communication and the adjustment of the sojourner" *Psychological Bulletin*, 1971, Vol 76, 215-230

BREIN M, DAVID K H "Improving cross-cultural training and measurement of cross-cultural learning" (Vol. 1) Denver: Centre for Research and Education, 1973.

BRISLIN R W Orientation programs for cross-cultural preparation Perspectives on cross-cultural psychology, Academic Press, 1979, pp 287-304

BYRNES F C "Role shock: An occupational hazard of American technical assistants abroad" *The Annals*, 1966, Vol 368, pp 95-108

CRAFTS P C "Overseas Trips for Directors" *HBR*, Nov-Dec 1979 pp 28-37

CAGNEY W F "Executive reentry: the problems of repatriation" *Personnel Journal*, 1975, September

CHEMERS M M "Cross-cultural training as a means for improving situational favorableness" *Human Relations*, 1968, Vol 22.6

CHORAFAS D Developing the International Executive *AMA Research Study* 83, 1967, New York

CLEVELAND H, MANGONE G J, ADAMS J C, The Overseas Americans McGraw-Hill, 1960, New York

DEUTSCH S, WON G, "Adjustment of foreign nationals in the United States" *Journal of Social Issues*, 1963, Vol 19.3

DANIELS J H, OGRAM E W Jnr., RADEBANGH L W *International Business*

DANIELS J, PITTS R A, TRETTER M J "Strategy and Structure of US Multinationals: An Exploratory Study", *Academy of Management Journal*, 1984, Vol 27.2 pp 292-307

DAVIS S M "Trends in the Organisation of Multinational Corporations", *Managing and Organising Multinational Corporations*, New York: Pergamon Press, 1979, pp 231-248

DOZ Y, PRAHALAD C K "An Approach to Strategic Control in MNC's" *Sloan Management Review*, 1981, pp 5-13, pp 15-29

DEREGOWSKI J B, DZIURAWIEC S and ANMIS R C "Expatriations in Cross Cultural Psychology" Swets and Zeitlinger, Lisse (Neth) 1983

DESATNICK R L, BENNETT M L Human Resource Management in the Multinational Company Gower Press, 1977

DETWEILER R, "On inferring the intentions of a person from another culture" *Journal of Personality*, 1975, Vol 43 pp 591-611

DALLY P "Psychiatric Illness in Expatriates" *Journal of the Royal College of Physicians of London* Vol 19.2, 1985 pp. 103-104

EDSTROM A, GALBRAITH, "Transfer of Managers as a Coordination and Control Strategy in Multinational Firms", *Administrative Science Quarterly*, 1977, Vol 22.2, pp 248-263

EGAN M "Exploring the Expatriate's World" *Personnel Management (UK)* July 1976 Vol 8.7

EVAN W M "Measuring the Impact of Culture on Organisations" *International Studies of Management & Organisation*, 1975, Vol 1 pp 91-113

EVERETT J E, STENING B W and LONGTON P A "Some Evidence for an International Managerial Culture" *Journal of Management Studies (UK)* April 1982 Vol 19.2 pp 153-162

EVERETT J E, STENING B W and LONGTON P A "Some Evidence for an International Managerial Culture" *Journal of Management Studies* 19, 2, 153-62

EVERETT J E, STENING B W, "Intercultural interpersonal perceptions: A study of Japanese and Australian managers" *Japanese Psychological Research*, 1980, Vol 22 pp 42-47

EGAN M, "Exploring the Expatriate's World" *Personnel Management*, July 1976, vol 8.7 p 25-29

EVERETT J E, STENING B W, LONGTON P A "Some Evidence for an International Managerial Culture" *Journal of Management Studies* (UK), April 1982, Vol 19.2 pp 153-162

EDSTROM A, GALBRAITH J R "Transfer of Managers as a Co-ordination and Control Strategy in Multinational Organisations" *Administrative Science Quarterly*, June 1977, Vol 22 pp 248-63

FORD J A and MADDOX R C Worldly Wisdom: Managing in the Multinational Age Management World Dec 1982 Vol 11.12 pp 44,34

FIELDS M W, SHAW J B, "Transfers without Trauma" *Personnel Journal*, May

FIEDLER F E, MITCHELL T, "The culture assimilator: an approach to cross-cultural training," *Journal of Applied Psychology*, 1971, Vol 55.2 pp 95-102

FREEMANTLE D, "Foreign Assignment: A Recruiter's Nightmare" *Personnel Management* (UK), Oct 1978, Vol 10.10 p 33-37

FERRAN S, Transactional Analysis in Developing Countries

FAYERWEATHER J, "The Executive Overseas" *Syracuse University Press*, 1959

FIEDLER F E, MITCHELL T, TRIANDIS H C, "The culture assimilator: an approach to cross-cultural training", 1971, *Journal of Applied Psychology* Vol 55.2

GOWLLAND R "Making Sense of Executive Pay Practices" *Management Today* (UK) Aug 1982 pp 19-20

GLASER W "Cross-national Comparison of Organisations," *International Studies of Management & Organisations*, 1975, Vol 1 pp 68-90

GONZALEZ R F, NEGANDHI A R, The United States Executive: His Orientation and Career Patterns. East Lansing, MI: Michigan State University, Graduate School of Business Administration p 113

GONZALEZ R F, "The expatriates" *MSU Business Topics*, 1967, No. 2

GUDYKUNST W B, HAMMER M R, WISEMAN R L "An analysis of an integrated approach to cross-cultural training" *International Journal of Intercultural Relations*, 1977, Vol 1 pp 99-110

GUPTARA P, "How to Find the Training Your Globe-Trotters Will Need" *International Management* (UK), Oct 1986 Vol 41.10 p 80-82

GUPTARA P, "Searching the Organisation for the Cross-Cultural Operators" *International Management* (UK), Aug 1986, Vol 41.8 p 40-42

GENNAOUI A and MACTAS M V The International Benefit Plan: An Overview of Financial and Tax Considerations Benefits International (UK) Feb 1983 Vol 12.8 pp 2-8

GUTHRIE G M, "A behavioural analysis of culture learning" In R W Brislin, S Bochner, and W J Lonner (Eds.) *Cross-cultural Perspectives on Learning* Wiley, New York 1975

GONZALEZ R F, "The Expatriates", *MSU Business Topics*, 1967, Vol 15.2

GONZALEZ, R F and NEGANDHI A R, The United States Executive: His Orientation and Career Patterns, Michigan State University, Graduate School of Business Administration, East Lansing, 1967

HAMMER M R, GUDYKUNST, W B & WISEMAN R L "Dimensions of intercultural effectiveness: An exploratory study" *International Journal of Intercultural Relations*, 1978, Vol 2 pp 382-393

HARRIS J G, "A Science of the South Pacific: Analysis of the character structure of the Peace Corps volunteer" *American Psychologist*, 1973, Vol 28 pp 232-247

HARVEY M C, "The Other Side of Foreign Assignments: Dealing with the Repatriation Dilemma", *Columbia Journal of World Business*, 1981, Vol 17.1 pp 53-59

HEENAN D A, PERLMUTTER H V, *Multinational Organisation Development* Don Mills: Addison-Wesley 1979

HELLER J E "Criteria for Selecting an International Manager", *Personnel*, May-June 1980, pp 47-55

HOFSTEDE G, "Culture's Consequences: International Differences in Work Related Values", Beverly Hills: Sage Publications, 1980

HOROVITZ J H "Chief Executives Control Practices: A Cross National Study of France, Great Britain and Germany", *Recent Research on Internationalisation of Business*, 1979

HULBERT J M, BRANDT V K, "Managing the Multinational Subsidiary" New York: Holt Rinehart and Winston, 1980

HAUTALUOMA J E, KAMAN V "Description of Peace Corps volunteers' experience in Afghanistan" *Topics in Culture Learning*, 1975, Vol 3, 79-96

HAWES F, KEALEY D J "An empirical study of Canadian technical assistance" *International Journal of Intercultural Relations*, 1981, Vol 5, 239-258

HAYS R D, "Ascribed behavioural determinants of success-failure among US expatriate managers" *Journal of International Business Studies*, 1971, Vol 2, 40-46

HILL R, "Coping With the Culture Shock of an Overseas Posting" *International Management*, March 1983, Vol 38.3 pp 81-5

HOWARD C G "Model for an International Management Development Program" *Training & Development Journal*, Sept 1972, Vol 26.9 pp 20.25

HOWARD C G, "Model for the design of a selection programme for multinational executives" *Public Personnel Management*, 1974, Vol 3(2), pp 138-145

HARRIS P R, HARRIS D L, "Training for cultural understanding," *Training and Development Journal*, May 1972, pp 8-10

HARRISON R, HOPKINS R L, "The design of cross-cultural training," *Journal of Applied Behavioural Science*, 1967, Vo 3.4 pp 431-460

HAYS R D, "Ascribed behavioural determinants of success-failure among UK expatriate managers," *Journal of International Business Studies*, 1971, Vol 2 pp 40-46

HAYS R D, "Expatriate selection: insuring success and avoiding failure," *Journal of International Business Studies*, 1974, Vol 5 pp 25-37

HOWARD C G, "Model for the design of a selection program for multinational executives," *Public Personnel Management*, March-April, 1974, pp 138-145

HENRY E R "What business can learn from Peace Corps selection and training," *Personnel*, Vol 41, July-August 1965

HARARI E and ZEIRA Y "Morale Problems in Non-American Multinational Corporations in the United States", *Management International Review*, 1974, Vol 14.6 pp 43-57

HELLER J E, "Criteria for Selecting an International Manager" *Personnel*, May/June 1980, Vol 57.3 pp 47-55

HOWARD C G "How Best to Integrate Expatriate Managers in the Domestic Organisation" *Personnel Administrator* July 1982 Vol 27.7 pp 27-33

HOFSTEDE G, "Intercultural Co-operation in Organisations" *Management Decision* (UK), 1982, Vol 20.5/6 pp 53-67

HAWES F, KEALY D J, "Canadians in Development, an Empirical Study of Adaptation and Effectiveness on Overseas Assignment", Technical report. Canadian International Development Agency, Ottawa, 1979

HAYS R D, The executive abroad Business Horizons, June 1972

HAYS R D, "Expatriate selection: insuring success and avoiding failure" *Journal of International Business Studies*, 1974, Vol 5.1

HEENAN D A, KEEGAN W J "The Rise of Third World Internationals" HBR, Jan-Feb 1979 pp 101-109

HEENAN D A, "The corporate expatriate, assignment to ambiguity" *Columbia Journal of World Business*, May, June 1970

HELLER J E "Criteria for Selecting an International Manager" *Personnel* May/June 1980 Vol 57.3 pp 47-55

HOFSTEDE G Culture's Consequences

HARRIS P R, MORAN R T Managing Cultural Differences Gulf, 1983

HOFSTEDE G "Intercultural Co-operation in Organisations" *Management Decision* (UK) Vol 20.5 pp 53-67

HOLMES W F and PIKER F K "Expatriate Failure-Prevention rather than Cure" *Personnel Management* (UK) Dec 1980 Vol 12.12 pp 30-32

HOWARD C G, "The Expatriate Manager and the Role of the MNC" *Personnel Journal*, Oct 1980, Vol 59.10 pp 838-844

HARRIS P R, MORAN R T Managing Cultural Differences Houston TX: *Gulf Publishing Co.* p 9

HOFSTEDE G, for chapter 33 "Dimensions of National Culture in Fifty Countries and Three Regions" pp 335-355

IVANCEVICH J M, "Selection of American managers for overseas assignment," *Personnel Journal*, 1965, Vol 41

INDUSTRY WEEK "Cost is Only One Reason Fewer Execs Work Abroad" 1976 Vol 189.9 pp 14-15

IZRAELI D N, BANAI M, ZEIRA Y "Women Executives in Subsidiaries of Multinational Corporations" *California Management Review*, Vol 23.1, 1980, p 53-63

IVANCEVICH J M "Selection of American Managers for Overseas Assignment" *Personnel Journal*, March 1969, Vol 48.3 pp 180-93

IVANCEVICH J M, BAKER J C, "A Comparative Study of Satisfaction of Domestic US Managers and Overseas US Managers", *Academy of Management Journal*, March 1970, Vol 13.1 pp 69-78

JAEGER A M, "Contrasting Control Modes in the Multinational Corporation", *International Studies of Management and Organisation*, 1982, pp. 59-82

JOYNT P, WARNER M, "Managing in different cultures Universitetsforleg"

JAY D, "'Expat' - Worth His Money, or an Expensive Luxury?" *Accountancy* (UK) July 1984, Vol 95-1091 pp 75-78

KENDALL D W "Repatriation: An Ending and a Beginning Business Horizons" Nov/Dec 1981 Vol 24.6 pp 21-25

KRAMER R J "New Directions in Multinational Business Organisation", *New York: Business International*, 1981

LEE Y and LARWOOD L "The Socialisation of Expatriate Managers in Multinational Firms" *Academy of Management Journal* Dec 1983 Vol 26.4 pp 657-665

LANIER A R "Selecting and Preparing Personnel for Overseas Transfers" *Personnel Journal*, 1979, Vol 58.3 pp 160-63

LOWE J "The Expatriate Manager's Changing Role" *Manchester Business School Review* (UK) Summer 1980 Vol 4.3 pp 14-16

LANK A G "Designing policies for the international transfer of managers" *Canadian Manager* March 23-25 1986 Vol.11.1

LEE Y, LARWOOD L, "The Socialisation of Expatriate Managers in Multinational Firms" *Academy of Management Journal*, Dec 1983, Vol 26.4 pp 657-665

LANIER A R, Your Manager Abroad: How Welcome? How Prepared? AMA Management Briefing, 1975

LANIER A R, "Selecting and preparing personnel for overseas transfers" *Personnel Journal*, 1979, Vol 58.3

LESSER S, PETER H, "Training foreign nationals in the United States" In R Likert and S P Hayes (Eds.), *Some Applications in Behavioural Research*, 1957, UNESCO, Basel

LYSGAARD S, "Adjustment in a foreign society: Norwegian Fulbright grantees visiting the United States" *International Social Science Bulletin*, 1955, Vol 7.1

LANK A G "Designing Policies for the International Transfer of Managers" *Canadian Manager* (Canada) Mar 1986 Vol 11.1 p 23-25

LEWIS B (ed) The Management of Expatriates IPM, 1984

LEWIS B, Overseas Assignments - the Treatment of Expatriate Staff IPM London 1971

MORAN R T "Cross-Cultural Contact: Forget About Gender, Just Get the Job Done" *International Management* (UK) 1986 Vol 41.3 p 72

MENDENHALL M and ODDOU G "The Dimensions of Expatriate Acculturation: A Review" *Academy of Management Review* January 1985 Vol 10.1 pp 39-47

MILLER E L and CATTANEO J R "Some Leadership Attitudes of West German Expatriate Managerial Personnel" *Journal of International Business Studies* Spring/Summer 1982 Vol 13.1 pp 39-50

MILLER E L, BHATT B J, KUMAR B, CATTANEO J, HILL R E "Influence of Expatriate Nationality and Regional Location of the Overseas Subsidiary on Participative Decision Making" *Management International Review* (Germany) 1981 Vol 21.3 pp 31-46

MISA K F and FABRICATORE J M "Return on Investment of Overseas Personnel" *Financial Executive* April 1979 Vol 47.4 pp 42-46

McINTYRE K "Insurance Execs Unravel Worldwide Problems" *Business Insurance* Feb 19, 1979 Vol 13.4 pp 28

MILLER E L "Managerial Qualifications of Personnel Occupying Overseas Management Positions as Perceived By American Expatriate Managers" *Journal of International Business Studies* 1977 Vol 8.1 pp 57-69

MURRAY F T, MURRAY A H, "SMR Forum: Global Managers for Global Businesses" *Sloan Management Review*, 1986, Vol 27.2 p 75-80

MORAN R T, HARRIS P R "Managing Cultural Synergy" Gulf 1983

MENDENHALL M, ODDOU G, "The Dimensions of Expatriate Acculturation: A Review" *Academy of Management Review*, Jan 1985, Vol 10.1 pp 39-47

MILLER E L, CATTANEO J R, "Some Leadership Attitudes of West German Expatriate Managerial Personnel" *Journal of International Business Studies*, 1982, Vol 13.1 pp 39-50

MILLER E L, CHENG, J L C "A Closer Look at the Decision to Accept an Overseas Position" *Management International Review* (Germany), 1978, Vol 18.3 pp 25-33

MILLER E L, "Managerial Qualifications of Personnel Occupying Overseas Management Positions as Perceived by American Expatriate Managers" *Journal of International Business Studies*, 1977, Vol 8 n1 pp 57-69

MILLER E L, "Regional Location and International Work Experience as Correlates of the Job-Satisfaction of Expatriate American Managers" *Journal of Economics & Business*, 1976, Vol 28.2 pp 121-127

MILLER E L, "The selection decision for an international assignment: a study of the decision maker's behaviour," *Journal of International Business Studies*, 1972, Vol 3 pp 49-65

MILLER E K, HILL R E, "A comparative study of the job change decision for managers selecting domestic and overseas assignments," *Proceedings, Academy of Management*, 1978

MILLER E L "The International Selection Decision: A Study of Some Dimensions of Managerial Behaviour in the Selection Decision Process" *Academy of Management Journal*, 1973, Vol 16.2 pp 239-53

MISCHLER A L, "Personal contacts in international exchanges" In H C Kelman (Ed.) *International behaviour*, Holt, Rinehart, and Winston, 1965

MILLER E, "The Overseas Assignment: How Managers Determine Who Is Selected", *Michigan Business Review*, 1972, Vol 24.3 pp 12-9

MILLER E, "The International Selection Decision: A Study of Some Dimensions of Managerial Behaviour in the Selection Decision Process", *Academy of Management Journal*, June 1973, Vol 16.2 pp 239-53

MADDOX R C "Problems and Trends in Assigning Managers Overseas", *Personnel*, 1971, Vol 48.1 pp 53-6

MILLER E, "Managerial Qualifications of Personnel Occupying Overseas Management Positions as Perceived by American Expatriate Managers", *Journal of International Business Studies*, 1977, Vol 8.1 pp 57-68

MILLER E, "The Job Satisfaction of Expatriate American Managers: A Function of Regional Location and Previous International Work Experience", *Journal of International Business Studies*, Fall 1975, Vol 6.2 pp 65-73

MILLER E L, BHATT B J, KUMAR B, CATTANEO J, HILL R E, "Influence of Expatriate Nationality and Regional Location of the Overseas Subsidiary on Participative

Decision Making" *Management International Review* (Germany), 1981, Vol 21.3 pp 31-46

MISA K F, FABRICATORE, J M "Return on Investment of Overseas Personnel" *Financial Executive*, April 1979, Vol 47.4 pp 42-46

NASH D, "The fate of Americans in a Spanish setting: a study of adaptation" *Human Organisation*, 1967, Vol 26.3

NEGANDHI A R, "American management abroad: a comparative study of management practices of American subsidiaries and local firms in developing countries" *Management International Review*, 1971, No. 4-5

NOER D N, "Integrating Foreign Service Employees to Home Organisation The Godfather Approach" *Personnel Journal*, Jan 1974, Vol 53.1 pp 45-51

NEWMAN J, BHATT B, GUTTERIDGE T, "Determinants of Expatriate Effectiveness: A Theoretical and Empirical Vacuum" *Academy of Management Review*, July 1978, Vol 3.3 pp 655-661

NEWMAN J, BHATT B and GUTTERIDGE T "Determinants of Expatriate Effectiveness: A Theoretical and Empirical Vacuum" July 1978 Vol 3.3 pp 655-661

OBERG K, "Cultural shock: adjustment to new cultural environments" *Practical Anthropology*, 1960, No 7

ODDOU G, MENDENHALL M, "Person perception in cross-cultural settings: A review of cross-cultural and related literature" *International Journal of Intercultural Relations*, 1984, Vol 8 pp 77-96

ONDRACK D, "International Transfers of Managers in North American and European Mncs" *Journal of International Business Studies*, 1985 Vol 16.3 p. 1-19

PRASAD S B "Managers' Attitudes in Brazil: Nationals vs. Expatriates" *Management International Review* (Germany) 1981 Vol 21.2 pp 78-85

PETERSON R B and SCHWIND H F "A Comparative Study of Personnel Problems in International Companies and Joint ventures in Japan" *Journal of International Business Studies* 1977 Vol 8.1 pp 45-55

POOL I, "Effects of cross-national contact on national and international images. In H C Kelman (Ed.), *International Behaviour*, Holt, Rinehart, and Winston, 1965

PASCALE R T Personnel Practices and Employee Attitudes: a Study of Japanese and American Managed Firms in the United States Human Relations 1978 31, 7, 547-615

PULATIE D, KRUSE T, BENNETT G, NADLER N "How Do You Ensure the Success of Managers Going Abroad?" *Training & Development Journal* Dec 1985 Vol 39.12 p 22-24

RAHIM A "A Model for Developing Key Expatriate Executives" *Personnel Journal* April 1983 Vol 62.4 pp 312-317

RATIU I, "Thinking internationally: A comparison of how international executives learn" *International Studies of Management and Organisation*, 1983, Vol 13 pp 139-150

REHFUSS J "Management Development and the Selection of Overseas Executives" *Personnel Administrator* July 1982 Vol 27.7 pp 35-43

RAFFAEL C How to Pick Expatriates *Management Today (UK)* April 1982 pp 58-61

RUBEN B D, KEALEY D J, "Behavioural assessment of communication competency and the prediction of cross-cultural adaptation" *International Journal of Intercultural Relations*, 1979, Vol 3, pp 15-47

SAVERY L K, SWAIN P A, "Leadership Style: Differences Between Expatriates and Locals" *Leadership & Organisation Development Journal (UK)*, 1985 Vol 6.4 p 8-11.

STENING B W, EVERETT J E and LONGTON P A "Mutual Perception of Managerial Performance and Style in Multinational Subsidiaries" *Journal of Occupational Psychology (UK)* 1981 Vol 54.4 pp 255-263

SIMONE V J "The International Pension World-U.S. Expatriate" *Pension World* Dec 1979 Vol 15.12 pp 8-9

SHAHZAD N "The American Expatriate Manager's Role and Future in Today's World" *Human Resource Planning* 1984 Vol 7.1 pp 55-61

SEYMOUR L "Overseas Operations: Looking Around" *Harvard Business Review* Sept-Oct 1960

SHAHZAD N "The American Expatriate Manager: Present and Future Roles" *Personnel Administrator* July 1984 Vol 29.7 pp 23-30

SHAHZAD N, "The American Expatriate Manager: Present and Future Roles" *Personnel Administrator*, July 1984, Vol 29.7 pp 23-30

STENING B W, EVERETT J E and LONGTON P A "Mutual Perceptions of Managerial Performance and Style in Multinational Subsidiaries". *Journal of Occupational Psychology* 1981 54, 255-63

SCHAUPP D L, A Cross-cultural Study of a Multinational Company: Attitudinal Responses to Participative Management, Praeger, New York, 1978

SIROTA D and GREENWOOD J M, "Understand Your Overseas Work Force" *Harvard Business Review*, Jan.-Feb. 1971, Vol 49.1 pp 53-60

SEIRA Y, HARARI E "Structural Sources of Personnel Problems in Multinational Corporations: Third-Country Nationals", *Omega*, 1977, Vol 5.2 pp 161-72

SELLITZ C, COOK S W, "Factors influencing attitudes of foreign students toward the host country" *Journal of Social Issues*, 1962, Vol 18.3

SEWELL W, DAVIDSEN O, "The adjustment of Scandinavian students", *Journal of Social Issues*, 1956, Vol 12.1

SHETTY Y K, "International manager: a role profile", *Management International Review*, 1971, No 4-5

STONER J, ARAM J, RUBIN I "Factors associated with effective performance in overseas work assignments" *Personnel Psychology*, 1972, 25

SMITH L, "The Hazards of Coming Home" *Dun's Review*, Oct 1975, Vol 106.4 pp 70-73

SMITH J, "Another Peril for Expatriate Managers" *International Management (UK)*, Jan 1974, Vol 29.1 pp 37-38

STENING B W, EVERETT J E, LONGTON P A "Mutual Perception of Managerial Performance and Style in Multinational Subsidiaries" *Journal of Occupational Psychology (UK)*, 1981, Vol 54.4 pp 255-263

THURLEY K, REITSPERGER W, TREVOR M and WORM P The Development of Personnel Management in Japanese Enterprises in Great Britain London: International Centre for Economics and Related Disciplines. 1980

THIRWELL, "Going International" Newbould Buckley, Assoc. Business Press, 1978

THIAGARAJAN K M "Cross-cultural training for overseas management" *Management International Review*, 1971, No 4-5

TORBIÖRN I Living Abroad New York: Wiley

TORBIÖRN I, "Living abroad: Personal adjustment and personnel policy in the overseas setting", New York: Wiley, 1982

TOYNE B and KUHNE R J "The Management of the International Executive Compensation and Benefits Process" *Journal of International Business Studies* Winter 1983 Vol 14.3 pp 37-50

TRIMMER J G "The Rewards and Compensation for Expatriates in the 1980s" *Management Decision (UK)* 1980 Vol 18.6 pp 342-347

TUNG R L "Selection and Training Procedures of US, European, and Japanese Multinationals" *California Management Review* Fall 1982 Vol 25.1 pp 57-71

TUNG R L, "Selection and training of personnel for overseas assignments" *Columbia Journal of World Business*, 1981, Vol 16.1, pp 68-78

VORIS W "Considerations in staffing for overseas management needs" *Personnel Journal*, 1975, June

WALKIN T "The International Executive's Baggage" Cultural Values of the American Frontier
from: CONTEMPORARY PERSPECTIVES IN INTERNATIONAL BUSINESS,
BERKMAN H W and VERNON I R

WEINSHALL T "Culture and Management" Penguin 1977, especially
FAYERWEATHER J, Personal Relations

WHITE W L and MCGOWAN J J "Expatriate Compensation at the Crossroads"
Advanced Management Journal Fall 1977 Vol 42.4 pp 14-22

WIECHMANN U, PRINGLE L G, "Problems that Plague Multinational Marketers"
HBR, July-Aug 1979, pp 118-124

WALSH J, "Expatriate Executives: Are They Worth the Cost?" *Director*, 1985, vol 38.8
pp 32-35

WEISSMAN D and FURNHAM A "The Expectations and Experiences of a Sojourning
Temporary Resident Abroad: A Preliminary Study" *Human Relations*, 1987, Vol 40.5
pp 313-326

ZEIRA Y, BANAI M "Attitudes of Host-Country Organisations Toward MNCs' Staffing
Policies: A Cross-Country and Cross-Industry Analysis" *Management International
Review* (Germany) 1981 Vol 21.2 pp 38-47

ZEIRA Y and HARARI E "Overcoming the Resistance of MNCs to Attitude Surveys of
Host-Country Organisation" *Management International Review* (Germany) 1979 Vol
19.3 pp 49-58

ZEIRA Y "Ethnocentrism in Host-Country Organisations" *Business Horizons* June
1979 Vol 22.3 pp 66-75

ZEIRA Y and HARARI E "Host-Country Organisations and Expatriate Managers in
Europe" *California Management Review* Spring 1979 Vol 21.3 pp 40-50

ZEIRA Y "The Role of the Training Director in Multinational Corporations" *Training
& Development Journal* March 1979 Vol 33.3 pp 20-25

ZEIRA Y "Rotation of Expatriates in MNCs" *Management International Review*
(Germany) 1976 Vol 16.3 pp 37-46

ZEIRA Y, BANAI M, "Selection of Expatriate Managers in MNCs: The Host-
Environment Point of View" *International Studies of Management and Organisation*,
1985, Vol 15.1 p 33-51

ZEIRA Y "Management development in ethnocentric multinational corporations"
California Management Review, 1976, Vol 18.4

ZEIRA Y, HARARI E "Third-country managers in multinational corporations" *Personnel
Review*, 1977, Vol 6.1

ZEIRA Y, HARARI E and IZRAELI-NUNDI D, "Some Structural and Cultural Factors
in Ethnocentric Multinational Corporations and Employee Morale", *Journal of
Management Studies*, Feb. 1975, Vol 12.1 pp 66-82

ZEIRA Y and HARARI E, "Host Country Organisations and Expatriate Managers in
Europe", *California Management Review*, Spring 1979, Vol 21.3, pp 40-50

ZEIRA Y and BANAI M "Attitudes of Host Country Organisations Towards MNCs'
Staffing Policies: A Cross-country and Cross-industry Analysis" *Management
International Review*, 1981, Vol 21.2 pp 38-47

ZEIRA Y "Overlooked personnel problems of multinational corporations" *Columbia Journal of World Business*, 1975, Vol 10.2 pp 96-103

Appendix II

COMPANIES SURVEYED

KLM Royal Dutch Airlines
Philips
Shell Petroleum
Heineken
Amsterdam/Rotterdam Bank
Air France
Thomson
Total
BSN
Parisbas
British Airways
GEC
British Petroleum

Barclays Bank
Lloyds Bank International
National Westminster Bank
Scandinavian Airlines System
Ericsson
Skandinaviska Enskilda Banken
Lufthansa German Airlines
Siemens
Veba Oel
Deutschebank

APPENDIX III

Approximate numbers covered by the survey

	Total employees	Employees outside	Expatriates
NETHERLANDS	442,000	300,000	2,120
FRANCE	252,000	49,000	1,685
U.K.	674,000	223,000	5,930
SWEDEN	96,000	31,000	1,030
GERMANY	414,000	130,000	1,980
	-----	-----	-----
	1,878,000	733,000	12,745
AIRLINES	143,000	19,000	1,775
ELECTRONICS	1,001,000	463,000	3,390
PETROLEUM	221,000	146,000	3,420
FOOD & DRINK	142,000	28,000	1,070
BANKING	371,000	77,000	3,090
	-----	-----	-----
	1,878,000	733,000	12,745