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KEYS TO EXPATRIATE SUCCESS: A TOOLKIT FOR DIVERSITY MANAGEMENT

PROGRAMME FOR THE PRACTICE OF DIVERSITY MANAGEMENT

Prepared by the Australian Centre for International Business
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KEYS TO EXPATRIATE SUCCESS: A TOOLKIT FOR DIVERSITY MANAGEMENT

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Foreword

The Programme for the Practice of Diversity Management has produced a range of resources for diversity management. This Toolkit explains how firms can make the most of their diversity capabilities to create successful expatriates.

Resources for Diversity Management

The Business Case:
HRM Case
Knowledge Firm Case
International Business Case
Marketing Case
Theory of Diversity and Group Performance

Business Models:
Diversity Management: The Big Picture
Capturing the Diversity Dividend
Engaging Senior Managers
From Compliance to Strategy
Managing Diverse Human Resources Effectively
Adding Value Through HRM
The Innovation and Learning Advantage from Diversity
Managing Diverse Teams
Going Global
Expatriate Management

Toolkits:
Attract, Retain and Motivate
Adding Value Through HRM
Effective Management of Diverse Teams
Innovation and Learning
Using Diversity Climate Surveys
Building Cross-Cultural Capabilities
Keys to Expatriate Success
Engaging Senior Managers

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Introduction to the Keys to Expatriate Success Toolkit

The Programme for the Practice of Diversity Management's *Keys to Expatriate Management: A Business Model for Diversity Management* outlined the business imperative of diversity management for developing top performing expatriates. It demonstrated that nurturing expatriates' cross cultural capabilities plays a crucial role in the success of international business operations in host environments that are often vastly different to those of the home country.

The *Business Model* outlined five key steps to expatriate success. They comprise:

1. Conduct an expatriate audit;
2. Conduct a cultural diversity audit;
3. Refine expatriate selection procedures;
4. Provide cross-cultural training; and
5. Provide repatriation assistance

This Toolkit provides strategies for implementing these key steps. This Toolkit also includes a series of briefing notes, which comprise supplementary reading material related to the key steps.

Briefing notes

Defining Diversity

Diversity is all the ways in which individuals differ, both on a personal basis and in terms of organisation-related characteristics. These characteristics are broadly categorised into observable and unobservable characteristics. Observable and unobservable characteristics include race, ethnicity, gender, age, tenure, functional background, sexual orientation, socio-economic status, education, physical and mental ability, values, and attitudes (see figure below). The recognition of the complexities of 'diversity' as a multivariate concept forms part of the agenda for better understanding the complexity of productively managing diversity at work.

Components of workplace diversity

Personal Characteristics	Organisation-Related Characteristics (e.g.)
Primary (e.g.) Race Language	Tenure Position Technical skills
Secondary (e.g.) Values	

Workplace Diversity
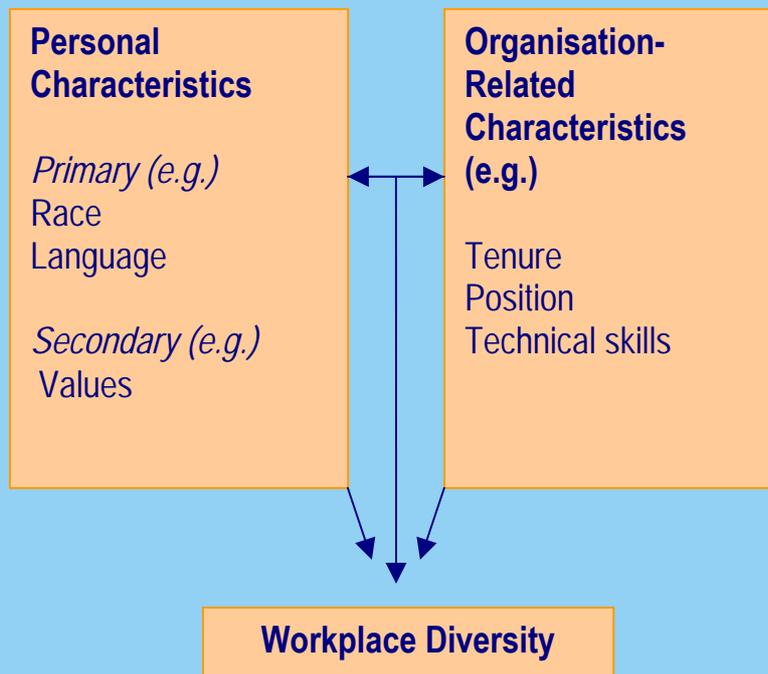
Briefing notes

Defining productive diversity

Productive diversity refers to the business advantages that emerge from the employment of many different people. Such advantages are labelled the *diversity dividend*, which comprises:

- Expanded global opportunities;
- Improved B2B relations;
- Enhanced creativity and innovation;
- Advanced communication;
- Superior teamwork skills;
- Quality customer service;
- Reduced workplace conflict; and
- Lower absenteeism and turnover.

The ways in which diversity management promotes business returns is the subject of this Programme's publication, *Diversity Management: The Big Picture.*

This toolkit is particularly concerned with applying Australia's cultural diversity capabilities to achieve international business success in the field of expatriate assignments.

Briefing notes

A Snapshot of the Australian Population

The Australian population is becoming increasingly diverse. This increasing diversity not only forces firms to recruit groups of people who have been traditionally underrepresented in areas of Australian working life, but it also provides distinct advantages for conducting business with diverse groups internationally.

- 25% of the population born overseas
- 27% of Australian-born citizens have at least one parent born overseas
- Over 200 languages are spoken in Australia
- 2.5 million people speak a language other than English at home
- The largest growth in religious affiliation have been in Hinduism, Buddhism, Islam and Judaism
- 15% of working age people and 19% of the population live with some form of disability
- 33% of people living with a severe or profound form of disability participate in the labour market
- Female labour market participation rates are increasing at the same time as male rates decline
- Partnering and family patterns have changed enormously over the past 30 years with increasing numbers of same sex partnerships and lone parent households
- 54% of wage and salary earners hold a post-school qualification
- The proportion of the population aged 65-plus has tripled in the last 100 years
- More than 2 million Australians provide support and assistance as carers for people living with a disability or for the aged; almost 900,000 of these carers provide support for children, partners or ageing parents
- There are now more women than men in the Australian population
- The Aboriginal and Torres Straight Islander population is approaching 400,000 and grows at a rate higher than non-indigenous population

Source: ABS, 1995-2000 (various sources)

Briefing notes

The importance of expatriate success and the role of diversity management

Expatriate managers operate international joint ventures, alliances (including franchises and licensing) and wholly-owned subsidiaries. The ability of expatriate managers to navigate culturally complex environments has a significant effect on the success or failure of offshore business operations. Expatriate technicians are posted overseas to fill technical gaps and share technical knowledge with host nationals. They may also be sent overseas to bring back home valuable technical skills developed in the host country. Such expatriates play an important role in the spread of technical knowledge throughout the firm's international operations.

Expatriate failure is a serious problem, which stems from the inability of expatriates and their accompanying families to understand and adapt to foreign cultures. With the yearly costs ranging up to hundreds of thousands of dollars to maintain an expatriate, such failures impose considerable financial burdens on organisations. Added to the direct costs of maintaining a failed expatriate, are the potential indirect costs of damaged relations with foreign partners, customers, suppliers, government officials and employees, as well as the emotional costs borne by the failed expatriate and family.

Effective workforce diversity management reduces the costs of appointing inappropriate expatriate managers and technicians, ensuring that they are carefully selected for their cross-cultural capabilities. Firms can make the most of the skills that reside within their human resources. Expatriates with good diversity capabilities usually adjust quickly and perform effectively in their assignments. Sound diversity management in the business area of expatriation assists firms to achieve international business success.

Step one: conduct an expatriate audit

The purpose

- To allow organisations to review current expatriate practices.
- Organisations can identify their expatriate success/failure rates.
- Organisations can identify the sources of their expatriates' success/failure.
- Organisations can use audit information to improve expatriate success rates.

The process

- Organisations should determine their current levels of expatriate success. Firms must choose how they wish to measure expatriate performance
- Organisations should seek feedback from repatriates and repatriated families about their experiences.

Measuring expatriate performance

1. **Do expatriates return home prematurely?**

   - Poor performers often return home early. Compare expected assignment length at pre-departure stage with the actual length of time spent overseas.
   - NOTE: Measure 1, premature return, is the easiest, but not necessarily the most telling, measure to use. Premature recall can indicate many things other than failure (E.g. early completion of set tasks, deterioration in the health of an expatriate, and other external factors).

2. Do expatriates fulfil the main goals (financial or otherwise) of their assignments?

- Set clear pre-departure goals in writing. For example:
    - To obtain host government permits for relevant business activities;
    - To establish relations with a foreign business partner;
    - To implement the use of a new technology;
    - To expand host county sales by a given value;
    - To expand the business into a designated new market;
    - To develop expatriate second/other language skills; and
    - To improve expatriate cross-cultural skills

- Goals should be set by the individual expatriate and her/his senior manager/s.
- Goals can be business oriented or expatriate oriented personal and professional goals.
- The goals set will depend on the nature of the business assignment.
- Success/failure is determined via a comparison between pre-departure goals and actual achievements.

3. Do repatriates consider themselves to have been successful expatriates?

- Ask repatriates to assess their performance both overall and in specific areas specified in pre-departure goals.
- Collect this information in writing and collate with the responses of other repatriates to determine any common experiences.

- Ensure that repatriates are comfortable assessing their performance honestly. Firms may use external consultants to procure self-assessments confidentially. Alternatively, repatriates may be assured that a positive or negative self-assessment will have no bearing on the individual's career prospects.

4. **Do host country colleagues consider expatriates to be successful?**

- Record feedback from host country colleagues to ameliorate any biases in the self-assessment.
- Identifying host national perceptions of sources of expatriate strengths and weaknesses with facilitate improvements in expatriate selection and training.

Seeking feedback from repatriates and repatriated families

- Ask repatriates and their partners for general feedback about their experiences.
- Determine both positive and negative aspects of experience so that adjustments can be made for future assignments.
- Ask repatriates and their partners what could have made the assignment easier.
- Feedback can be categorised into different areas. For example:
  - pre-departure preparation
  - housing
  - schooling for children
  - on-arrival orientation
  - language training
  - in-country support

- o social life
- o work life
- Collect this information in writing and collate with the responses of other repatriates and partners to determine any common experiences.

Briefing notes

Performance assessment

Expatriate failure imposes significant costs on business. Consequently organisations need to determine how many of their expatriates fail and why they fail. Failure rates are usually measured as a percentage of expatriates prematurely recalled from their overseas assignments. This measure is based on the assumption that parent companies recall poorly performing expatriates, yet it is not without its problems. Premature recall does not necessarily indicate expatriate failure, but may reflect early completion of set tasks, failure of an international venture owing to external political circumstances, deterioration in the health of an expatriate, or other failures external to the individual performance of the expatriate. In addition, distance complicates performance assessment, and good or bad performance may not be evident until the expatriate has completed her/his assignment. Poor performers may remain in the host country for the full duration of their assignment. As an alternative to premature recall, expatriate success and failure has been measured according to the self-assessment of individual expatriates. A recent US study revealed that the vast majority of expatriates perceive themselves to be successful in attaining corporate goals. Yet, self-assessment is only as reliable as the ability of individuals to make accurate and objective observations about their own performance.

Briefing notes

Seeking feedback

Research indicates that the inability of expatriates and their accompanying families to understand and adapt to foreign cultures is a major cause of international venture failure. Consequently, the firm needs to understand how it can assist expatriate families to overcome culture shock. Feedback from repatriate families will provide firms with the necessary information to better equip future expatriates for international success.

Case study: expatriate reflections at Telstra

Telstra's Alan Humrich spent two and a half years in Indonesia as Director of Operations of an international joint venture. The venture, called Mitra Global Telecommunications Indonesia (MGTI), brought together Australian, Japanese and Indonesian investors to establish world class telecommunications in Central Java. It employed about 4000 people, around 50 of whom were Australian expatriates.

Prior to relocation, Humrich spent three weeks in Indonesia learning about the local language and culture. During the three weeks, he met local people, visited their homes and gained an appreciation for the region, its customs and the national religion, Islam. Alan stresses the importance of such a visit, to gain some familiarity with the host environment and its people.

When asked what makes a good expatriate, Humrich emphasises a "basic openness and understanding of other peoples". He stresses that expatriates should not embark on foreign assignments with false assumptions of glamour, but should be prepared for the "highs and lows" of working overseas.

Step two: conduct a cultural diversity audit

The purpose

- To determine the capabilities that reside within the organisations workforce.
- To effectively match individuals' capabilities with business needs.

The process

- Collect data on staff cross-cultural and international business experience.
- Include cultural diversity skills assessment within standard performance appraisal procedures.

Collecting cross-cultural experience data

- Ask staff about their cross-cultural skills. Questions asked will depend on the needs of the firm. They may include:
    - Do you speak any languages other than English?
        - Which languages?
        - Rate your level of fluency
            - Listening and speaking:
                    a. beginner, b. intermediate, c. fluent
            - Literacy:
                    a. beginner, b. intermediate c. fluent
    - Have you ever lived outside Australia?
        - In which country/s?
        - When and for how long?
        - Did you work overseas and what did you do?
        - Did you study overseas and what did you study?
    - Do you belong to or have experience with any organised religion?

- – Which religion?
- – What level of involvement?
- o Do you identify with any particular national or ethnic groups?
  - – Which groups?
- NOTE 1: Asking employees about their ethnicity and religion is a delicate issue that must be treated sensitively:
  - o Employees should be given the right not to answer any question with which they may feel uncomfortable.
  - o Employees should be made aware of how the firm will use the information.
  - o Information on language may be useful not only for selecting expatriates, but also for any translation services that may be required for interaction with non-English speaking business partners and customers.
  - o Information on religion may be useful not only for selecting expatriates, but also for providing the firm with cultural information on business partners and customers, and ensuring that firms can accommodate any needs for employees' religious holidays and festivals.
- NOTE 2: The cultural diversity audit can be conducted within a broader staff skills audit.
- Decide whether audit is to be conducted throughout the entire firm or only for more senior employees who are potential expatriation candidates.
- Collate data collected so that when particular cultural skills are required, appropriate staff can be easily identified.
- Audit the cultural skills of all new employees as part of their induction.
- Ensure that staff who have left the firm are removed from the database.

Case study: Selecting suitable expatriates at Holden

An engineer, who was keen to work overseas, initially agreed to accept an expat assignment. Human resources had concerns about the adaptability of his wife and sent the couple to an adaptability assessment with a consultancy company. The consultants reported that the engineer's wife was reluctant to relocate overseas and would not readily adapt. They raised concerns about the couple's chances of success overseas. Further discussions with the engineer confirmed that while he was keen to gain some international experience, such a move would be an excessive strain on his marriage.

Keen to balance the engineer's career goals with his family life, Holden sought an alternative solution. The engineer was not sent on a long term assignment. He declined the expatriation offer and instead Holden sent him on a series of short overseas assignments of 1-2 week's duration. The engineer was multilingual and was sent to an overseas destination where he could communicate with host nationals in their native language. The solution was a win-win situation for the engineer, his wife, and the company. The engineers wife did not have to reluctantly move overseas; the engineer still had the opportunity to gain international work experience; and the company both avoided a potential expat failure and gained the benefits of the engineer's technical, managerial and linguistic skills.

Step three: refine expatriate selection procedures

The purpose

- To improve expatriate selection by using the data collected in the expatriate and cultural diversity audits.
- To enhance expatriate success by selecting the best candidates for expatriation.

The process

- Combine data from expatriate and cultural diversity audits to identify key success factors.
- Select expatriates accordingly.

Using audit data to select expatriates

- Consider the capabilities required for each overseas assignment. For example:
  - What second/other language skills would be an asset?
  - What cultural norms should the candidate understand?
  - How important are informal personal relations in the host country?
  - How important is religious practice in the host country?
  - What technical and managerial capabilities are required?
  - What capabilities do repatriates from the host country emphasise as important?
- Match the host country requirements as revealed in the expatriate audit with the workforce capabilities revealed by the diversity audit. Determine which candidates best match the required skill set.
- Firms wanting to extract the diversity dividend should ensure that all candidates considered are open to difference and

value diversity. Such values are reflected in the quality of the individual's human relations skills.

- Where international expansion into a particular overseas region is a long term priority, plan ahead. Cross-cultural skills are more difficult to acquire than managerial and technical skills. Nurture the talents of staff who hold these valuable capabilities:
    - For example, for firms with long-term ambitions in China, develop the technical and managerial capabilities of employees who speak Chinese or have lived or worked in China.
- Inform expatriation candidates of the cross-cultural complexities they are likely to face so that they know what to expect before deciding to relocate overseas.   Share feedback from repatriates from the host country. Better that candidates deem themselves unsuitable before departure rather than after arrival.

Briefing notes: Enhancing expatriate success through the selection function

The selection of expatriates with cross-cultural capabilities is crucial for international business success. Such capabilities help expatriates to manage cross-cultural complexity. A culturally-complex environment is one in which individuals have difficulty deciphering the cultural cues according to which members of a given culture operate. Cultural complexity can be overwhelming for expatriates without host country experience. It can impede business performance by imposing costs on international business transactions. The selection of expatriates who share the national cultural background of the country to which they are assigned, means that they have significantly less difficulty adjusting to the norms of the host country's culture than a non-national. While expatriates from the host country culture still must adjust to the organisational culture of their new assignment, this process will be easier than for expatriates who are unfamiliar with local languages, customs and ways of operating. Selecting expatriates with a host country background translates into increased productivity, reduced time adjusting to host country culture and the ability to more quickly focus on business tasks.

Mental models provide a new framework for understanding culture that captures complexity and points towards the business advantages of utilising diversity capabilities. Mental models are deeply imbedded cognitive structures that determine the type of information that individuals receive and the ways in which they process that information. Such models are socially learned, educationally reinforced and experientially altered. Individuals who have been exposed to similar experiences often form shared mental models. For example, individuals from particular cultural groups may share models of common languages, rituals, stories, morals, habits, customs, and worldviews. These models underpin an intimate and often tacit understanding of how group members interpret the world, determining the ways in which they behave.

Expatriates with a cultural background in the host country will hold valuable mental models of the formal and informal institutions that regulate business and the social environment. The critical know-how of well informed expatriates, which may range from lobbying capabilities and knowledge of routinised processes for applying political pressure, to highly nuanced knowledge of when a 'word in the right ear' is appropriate, can be effectively exploited by the firm. Compared with expatriates who have little experience of the host national culture, such expatriates have a more coherent understanding of the 'rules of the game', allowing them to develop sound strategic 'game plans'.

Expatriates with clear mental models of host country languages have a distinct advantage over expatriates who lack local language capabilities. Language diversity is a highly valuable skill for internationalising businesses. Although English has become the *lingua franca* of international trade, it should not be assumed that English language proficiency is sufficient for top performance in the international business environment. Much of a nation's culture is contained within its language; it contains subtleties and nuances that are lost in translation, causing a reduction in the quality of communication. Expatriate fluency in host country languages provides business with distinct capabilities including:

1. An ability to read relevant trade journals;
2. Access to overseas social networks;
3. Understanding of foreign negotiating styles;
4. Knowledge of how to conduct local market research; and
5. An ability to quickly contact suppliers, distributors and buyers by telephone/e-mail/fax in their preferred language.

Firms that manage their linguistic diversity are well positioned to foster expatriate candidates who are competent in multiple languages. Such firms can select expatriates with the necessary mental models to succeed in their international assignments, giving them an edge over those who lack multi-linguistic diversity capabilities.

Cultural and linguistic diversity capabilities are especially important for building interpersonal relationships. Expatriates with a background in the host country will share convergent mental models with host nationals. Similarity/attraction theory suggests that convergent mental models may foster the establishment of interpersonal relations. Individuals who share experiences and values have a propensity to like each other because their similarity reinforces their existing attitudes and beliefs, boosting their self-esteem. Similar individuals are likely to form favourable impressions of each other, enhancing the potential to establish strong interpersonal relationships. The establishment of good interpersonal relationships and effective communications has been identified as critical in maintaining the necessary trust between parties to facilitate ongoing exchange.

Where expatriate mangers with a sound grounding in the host national culture are not available, firms with generally diverse workforces may still be better

positioned to navigate foreign environments that homogeneous firms. Expatriates who are accustomed to working with people of diverse cultural and linguistic backgrounds are likely to be generally open to difference. Such openness means that they will be able to cope in "different" environments and, with appropriate cross-cultural training, will adapt to their overseas environment better than expatriates from homogeneous organisations who may be less open to diversity. Consequently, firms should select expatriates with clear diversity capabilities.

Firms with culturally diverse workforces have a greater likelihood of having expatriation candidates who share mental models with international business partners than do firms with relatively homogeneous workforces. They are better positioned for developing special capabilities for operating in culturally complex environments and establishing personal relations with overseas business people. Such firms can reduce the costs of international business through clearer communications systems and adeptness in navigating foreign environments. In venturing overseas, firms leveraging the diverse mental models of their workforces are well positioned to build strong international relations and a record of successful expatriation.

Case study: expatriate reflections from HP

HP's Australian National Commercial Sales Manager, Kim Hamilton, has significant international business experience throughout the Asia Pacific region. He spent three years (1998-2000) based in Singapore as a manager of business development and marketing. Hamilton relocated from Melbourne to Singapore with his wife and young son.

Reflecting on his expatriate experience, Hamilton states, "I almost felt like I was a teacher and a student". He had the opportunity to teach his Asian colleagues about Australian culture while he learned about their cultures. The learning experience of his expatriation was very satisfying and Hamilton says with confidence, "I am a better manager now than I was three years ago". He uses the cultural, managerial and technical knowledge and skills that he developed overseas in his present role with HP.

When asked what is important in an expatriate manager, Hamilton emphasises "an openness to experience new things and to be willing to look at different ways of getting results". His experience has taught him that "the best managers are those who can move between different ways of doing things" and that "the worst managers are those who only have one way of managing people from different backgrounds".

Hamilton believes that HP's corporate culture, which emphasises the value of workforce diversity, makes it an employer of first choice. He asserts that HP's "human touch absolutely gets the right people into the business". HP people value diversity and are open to differences, key attributes for thriving in an international environment. This means that HP can select the "best people" for expatriate assignments from a large pool of capable people.

Step four: provide cross-cultural training

The purpose

- To reduce the burden of expatriate culture shock and facilitate adjustment to new surroundings.
- To assist expatriates to relate to people and processes that may be vastly different from those in their home country.

The process

- Consider basic language training.
- Conduct destination-specific briefing.
- Establish contact between expatriate and host country expatriate communities.
- Provide in-country support.

Basic language training

- Should be offered to expatriate and the accompanying family.
- Experienced second/other language teachers should provide training.
- Organisations should contact local education institutions for information on suitable language courses.
- Organisations may need to give expatriates paid leave to attend classes.

Destination-specific briefing

- Provide basic information about the host country social, business, political, religious, and cultural environment.

- If the firm lacks expertise in this area it can employ external consultants.
- Explain etiquette systems for everyday situations.
    - For example, greeting people, meetings, using the telephone, and dining.
- Information should be useful and current.
- Provide written information, including addresses, about useful amenities and services in the host environment.
    - For example, postal, health, banking, education, news, and transport services.
- Provide host country workplace specific training to the expatriate. Such training should include:
    - Communicating with superiors, subordinates, suppliers, contractors, and buyers;
    - Explaining standard operating procedures; and
    - Accessing business information.

Establish contact between expatriate and host country expatriate communities

- Have expatriates already working for the firm in the host country contact the new expatriate family before departure. More experienced expatriates and their partners may be able to provide useful advice to a new family.

Provide in-country support

- Assist expatriate family, where appropriate, in accessing:
    - Suitable transport;
    - Medical care;
    - Child care;
    - Domestic services;
    - Household provisions; and
    - Language training;

- Keep in regular contact with expatriate family and address any concerns that they may have about living abroad.

Case study: inpatriate reflections from HP

In January 2000, Carsten Ahrens, HP Remarketing's Asia Pacific Sales Manager, transferred to Melbourne from HP Switzerland with his wife and two children. Prior to the relocation, Ahrens and his family, originally from Germany, were based in Switzerland for three years.

Evaluating the relocation services provided by HP to him and his family, Ahrens emphasised the value of a preview trip for him and his wife, to organise essentials such as accommodation. Also important was a relocation allowance to assist with the financial implications of moving to the other side of the world.

Ahrens highlighted the importance of a supportive family when living overseas and that the family's successful adjustment impacts on the overall success of the expat experience. Initially, the children had difficulties settling into their new environment mainly due to their lack of English language skills, but they are now well settled and happy.

He reflected on how HP could improve its expat management and noted that it would be beneficial if a financial comparison between pre and post-host countries could be provided in advance. Ahrens would have appreciated detailed information about living in Australia, such as the cost of a basket of goods. Equally important for consideration is a greater emphasis on the social integration of the expatriate's family through mechanisms such as informal functions with other HP expats. Ahrens also suggested that expats may benefit from a period of paid leave on arrival, allowing them time to adjust to their new environment. Alternatively, if immediate presence in the job is required, a start-up/consultancy service should be provided by the company.

As a manager of employees who are located in Australia, Japan, Singapore and China, Ahrens greatly appreciates the challenges involved in being open and willing to look at different ways of achieving results. He has had to develop managerial skills that recognise the many perspectives that come from operating in a cross-cultural environment.

Overall, Ahrens feels that the expatriate experience is a rewarding one that has made him a better 'people' manager, and given his family the opportunity to experience new surroundings.

Briefing notes: The case for cross-cultural training - reducing culture shock

Many expatriates experience 'culture shock'. They are unable to interpret cues from a new and uncertain environment. They are faced with the seemingly inexplicable behaviour of those around them, which is governed by a culture that they do not understand. Their lack of comprehensive mental models for understanding the local culture inhibits their awareness of what is appropriate, or inappropriate, behaviour. Expatriates discover that their past behaviours do not work in the new culture, but they have not yet learned more appropriate substitute behaviours. This is a source of immense frustration, which causes high levels of confusion and anxiety. The confusion that they experience is often exacerbated when they do not speak the local language.

Culture shock is caused by multiple stresses – intellectual, emotional and physiological – that place individuals under severe pressure. These stresses impair the ability of expatriates to function.

Culture shock is alleviated as expatriates become accustomed to their new surroundings, learning to 'fit in'. There is a period of reduced productivity while expatriates adjust.

Expatriates take between four and twelve months to feel comfortable in a new culture. Some expatriates take even longer, while about five percent never adapt to the new culture. Such individuals experience their postings in an ongoing state of culture shock, constantly trying to adjust. Consequently, their productivity is permanently impaired.

Cross-cultural training will ameliorate culture shock and assist expatriates to adjust to a new culture. Expatriates who are trained prior to arrival in the host country will experience reduced culture shock, since they are better informed of what to expect.

Australian firms can expect to pay about $3000 per participant for a country briefing, a session of general cross-cultural training and a few lessons of very basic language training. This cost amounts to a small insurance premium relative to the much greater costs that firms incur when expatriates fail in their assignments owing to an inability to overcome culture shock.

Step five: provide repatriation assistance

The purpose

- To reap the rewards of the repatriate's international experience and newly acquired knowledge.
- To prevent high rates of repatriate voluntary turnover.
- To prevent poaching of repatriates by competitors.
- To enhance the overall quality of the firm's diversity capabilities.

The process

- Debrief repatriate and partner.
- Work with repatriate to determine her/his new business role.

Debrief repatriate and partner

- Seek feedback (see Step one).
- Inform repatriate of the firm's current projects in her/his business unit.
- Introduce repatriate to any new members of staff.

Work with repatriate to determine her/his new business role

- Consult with repatriate to determine how s/he can share newly acquired knowledge and skills with the firm.
- Ensure that repatriate feels that her/his international experience is valued in the home country.
- Determine whether the repatriate is a willing and suitable candidate to mentor junior colleagues with international aspirations.
- Establish a career map, setting goals for the repatriate over the next one to five years.

Briefing notes: Reaping repatriation rewards

Repatriation assistance is an integral component of any expatriate package. Research demonstrates major discontent with the repatriation experience. Many repatriate managers feel that the skills that they have gained overseas are not valued in the home country. They often return from senior management in the host country to a position of lesser status back home.

Poor repatriation practices may reduce the pool of potential expatriates. Where individuals view overseas placement not only as a hardship, but as a career move that reduces their perceived value on return, they are unlikely to be willing to accept foreign postings.

Dissatisfaction with repatriation means that about half of all repatriates leave the firm within two years of their return to the home country; translating into a loss of valuable skill and experience.

Repatriation assistance is crucial for preventing the turnover of repatriates with valuable cross-cultural and international management skills. Such repatriates are a source of knowledge and learning, which can be disseminated throughout the firm. Firms that fail to assist repatriate managers may find their repatriates poached by their competitors.

Checklist of Key Steps

Step One: Conduct an Expatriate Audit ☐

Step Two: Conduct a Cultural Diversity Audit ☐

Step Three: Refine Expatriate Selection Procedures ☐

Step Four: Provide Cross-Cultural Training ☐

Step Five: Provide Repatriation Assistance ☐