

# “Family Adjustment Impacts the Success of Expatriation: A Study with Special Reference to Expatriates Based in Pune”

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## ABSTRACT

*The expansion of the global business and the realization of possible increased profits from global markets has created the need for expatriates. Thus, society has developed into a global environment and has provoked much debate as to how beneficial it is to employ expatriate managers or employees in global businesses. Assignees with adjusted spouses and with children accompanying them tend to be more adjusted and less likely to think about quitting the assignment. Family factors were found important predictors of a successful expatriation and repatriation experience. Managers' consideration of their families in their career sense-making can be reflected in managers' career management for their families, time management for their families, and improvement of the situation for their spouses. It is noteworthy that failures of international assignments have a negative affect both on expatriates and organisations. It has been determined that the success of expatriation and repatriation process and international career of employees are mostly determined by personal individual and organisational factors. The purpose of this study is to expand understanding of the dynamics of work-family conflict experienced by expatriates and repatriates. Researcher is trying to explore factors affecting on adjustment issues for family during expatriation & repatriation. Researcher considered Expatriates and Repatriates from MNCs based in Pune for this research study.*

**Keywords:** Family-Adjustment, Expatriation, Repatriation.

## INTRODUCTION:

Economic globalisation has opened new opportunities not only for business enterprises, but their employees as well. The practice of expatriation has been used increasingly for successful operations on a world scale, thus providing the employees with the opportunity to gain some international experience and develop their international career. The aim of the report is to analyse the effect of family concern on adjustment issues during expatriation and repatriation process. Some of the factors like revealing the conceptual essence of expatriation process; determining issues faced by expatriates during their international assignment and listing the family factors that affect the behaviour of expatriates.

Analysis of scientific sources has revealed that expatriates (qualified employees who are usually sent to work to another branch of the same company located abroad) are usually used for three main reasons: technical competence, management development and control. Employees who agree to leave for international assignments are usually motivated by skill acquisition, opportunities of personal development, higher salary and future career prospects. Despite the advantages of expatriation practice, there are many challenges as well (for example, difficult adaptation, various problems related to expatriate's family, and difficulties during repatriation), that might be faced by people assigned to work abroad.

**Human Resource Management:** An efficiently run human resources department can provide your organization with structure and the ability to meet business needs through managing your company's most valuable resources to its employees. There are several HR disciplines, or areas, but HR practitioners in each discipline may perform more than one of the more than six essential functions. In small businesses without a dedicated HR department, it's possible to achieve the same level of efficiency and workforce management through outsourcing HR functions or joining a professional employer organization.

**International Human Resource Management:** IHRM can be defined as set of activities aimed managing organizational human resources at international level to achieve organizational objectives and achieve competitive advantage over competitors at national and international level. IHRM includes typical HRM functions such as recruitment, selection, training and development, performance appraisal and dismissal done at international level and additional activities such as global skills management, expatriate management and so on.

**Expatriation:** Expatriation is the process of sending managers to another country to run a subsidiary of a multinational organization. The expatriation process is a new experience for assignees as they will be venturing to a new environment and surroundings, they somehow have high expectations and morale towards the new job; they also tend to have the enthusiasm to perform their best, set in their minds, but when they experience the unexpected, their morale often depreciates and due to that, it will also somehow give an impact on the employees performance.

**Repatriation:** Repatriation generally refers to the termination of the overseas assignment and coming back to the home country or to the country where the HQ is located or to the home subsidiary from where he/she was expatriated. Expatriation process also includes repatriation. Therefore, Repatriation may be defined as the activity of bringing an expatriate back to the home country and Repatriation is the final step in the expatriation process.

**Expatriation and family adjustment factor:** Expatriation and repatriation is an integral process in line as businesses are extensively growing. As the study on expatriation and repatriation has spanned across cultures, decades and theoretical beliefs, there have been extensive research on culture shock but modest on reverse culture shock. In this sense, expatriation and repatriation is not entirely a new concept. Its significant is heightened as organisations are engaged in keeping up to pace with the vigorous and radical changes that are on hand from revolt of the business environment. The expatriates and their families have to deal with all the problems connected with housing, work for the spouse and schooling for the children. Sometimes companies help when dealing with these problems. There is a possibility of the company renting out the expatriates' houses during their stay abroad; another option is that the company buys the house and resell it back to the employees when they return at a low interest rate. Another point worth mentioning is that family and friends have changed during the expatriates' stay abroad and thus a feeling of alienation is created.

## LITERATURE REVIEW:

Margaret A Shaffer and Janice R. W. Joplin researched on the topic 'Work-family conflict on international assignments: time- and strain-based determinants and performance effort consequences' in 2001. This research paper says that a consistent refrain throughout the expatriate literature is that families are the key to successful international assignments. Families that are supportive and adaptable contribute to a smoother transition on international assignments. However, relocated families may also be a source of stress and a threat to the success of an assignment. Expatriates are especially likely to experience such stress as a result of excessive demands placed upon them in their work and family roles.

Evgenia I. Lysova, Konstantin Korotov, Svetlana N. Khapova and Paul G.W. Jansen researched on the topic 'The role of the spouse in manager's family-related career sensemaking' in 2014. This research paper seeks about the increasing number of dual-earner couples, the growing number of women in the workforce, and the continuous blurring of boundaries between work and non-work domains have stimulated increased research interest in the influence of various family factors on individuals' career and work-related decision making. Research has traditionally examined the influence of family factors on work-related decision making and its consequences for the work domain.

Betty Jane Punnett, Olga Crocker and Mary Ann Stevens researched on the topic 'the challenge for women expatriates and spouses: some empirical evidence' in 1992. The research paper says that studies of domestic transfers have generally found that companies need to take a proactive approach to dual-career couples if they are to attract and retain the best employees and Potter concluded that 'companies with successful family-related policies will be able to increasingly attract the cream of the crop in future workers'. The same is likely true for international transfers.

Fernanda Lima de Melo researched on the topic 'Effectiveness of expatriate programs: the influences of individual, job and social characteristics on the success of expatriation and repatriation phases' in May 2013. The research tends to focus on the examination of success criteria of expatriate programs as a function of either expatriation or repatriation successes. This study argues that the success of expatriation programs can only be fully captured when success criteria are met on both expatriation and repatriation experiences. Since few studies investigate this dual objective of expatriate programs, the present study replicates and extends the current body of research on expatriate human resources strategies by collecting measures of expatriation and repatriation experiences from a group of current and past expatriates from a large manufacturing company.

Stephen Kathurima Muriuki has researched on the topic 'Factors influencing expatriate cultural adaptation' in July 2012. The objective of this paper is to focus on the increasing globalization of the world requires new measurements for businesses if they are to succeed in the international market. Cultural gaps have a great effect on the difference between living and working in one's home country and abroad. The study was based on human capital theory, which states that international migration depends on standard components of individual capital as age, gender, education, skill, experience, marital status, as well as on personality features (ambition to succeed, entrepreneurial spirit, or a willingness to take risks by changing language, culture, and social environment).

Murat Sakir Erogul and Afzalur Rahman have researched on the topic 'The impact of family adjustment in expatriate successes, Journal of International Business and Economy, 2017. The research tends to focus on family adjustment to a new country plays a significant role in expatriate success. This paper investigates the reasons behind expatriate failure relative to personal characteristics of partner, family characteristics, and cultural distance.

## OBJECTIVES OF THE STUDY

- To understand the process of Expatriation & Repatriation
- To study the family factors that affect the Expatriation & Repatriation.
- To understand the role of family adjustments in Expatriation & Repatriation Success.

## SCOPE

- The present study was conducted to study the effect of family factors on expatriates and repatriates.
- The responses were taken from the respondents who are employees at selected MNCs at Pune.
- For this research study respondents includes Expatriates based in Pune City.

## RESEARCH METHODOLOGY:

The present study intends to ascertain the effect of family concern on adjustment issues during expatriation process. Sample of 50 expatriates was interviewed. An attempt has been made to find out the perception of employees regarding the family concerns and the effect of the same in the behaviors of expatriates and repatriates. The research design adopted was the exploratory research method, wherein interview were conducted of all the respondents. Data collected were presented in the form of summery.

## OBSERVATIONS & FINDINGS:

**FAMILY CHARACTERISTICS AND SPOUSE ADJUSTMENTS:** The nature of relationships among family members is described by the family system theory. Family System Theory can be defined as the family being an example of an open, ongoing, goal-seeking, self-regulating, social system, and that it shares these traits with all systems of this type. Families are systems of interdependent and interconnected individuals. This implies that individuals on an expatriate assignment together with their spouse cannot be understood in isolation from one another but instead need to be thought of as a part of a family. An expatriate assignment incurs a change which requires the family to restructure, develop and adapt as a response to the new country's different demands, in terms of Family System Theory. If the family can adapt sufficiently to the new foreign environment, it will maintain continuity and alleviate each member's mental growth and intercultural adjustment. Three family characteristics seem to contribute to adjustment among expatriate spouses, which are cohesion, adaptability and communication. The three concepts showed that the family dimensions of adaptability, cohesion and communication clearly correlated with outcomes of international assignments. Cohesion within a family can be defined as the amount of emotional bonding between the members of the family. Another definition is family cohesion as the degree to which an individual is separated or connected to the family system. It has been shown that the relationship of expatriate spouses with their children became closer by the expatriation period as they had been forced to endure trials and tribulations together during the time.

The second family characteristic is family adaptability. Family adaptability has been defined as the ability of a family system to change its power structure, role relationships and relationship rules in response to situational and developmental stress. We describe it as the extent to which a family is flexible and able to change. The ability to adapt is



critical for a family, both in response to stress from within the family and also in response to stress from the external environment. A person suffering from homesickness, problems adapting to new friends, or feelings of unsafety due to high rates of crime are all examples of stress created in the external environment. According to family system theory, a family capable of changing its internal relations in response to the demands of the foreign situation will better adapt to the new circumstances.

Communication is the third family characteristic. Communication can enable a family to create a shared sense of meaning and maintain harmony and balance in the family. It refers to the family's ability to resolve conflicts by mutual recognition of different opinions. It is also tightly connected to the other aspects of family systems theory as it enables the effectiveness of the two attributes adaptability and cohesion. The essence of this is that effective communication within a family will result in a healthy level of cohesion and efficient adaptability.

Another factor is the spill over effect which proposes that a working spouse's experiences from their workplace will affect the home situation as well and on the same note, home experience will influence the expatriate's work life. The spill over effect occurs when a person transmit their attitude from work to home and vice versa. In the setting of a global assignment, these attitudes can enhance or decrease the performance of the expatriate, depending on if it is a positive or negative attitude that is present. This spill over effect becomes especially important to take into consideration when on a global assignment. This due to when being on a global assignment, the lines between home and work blur due to the involvement of the whole family.

**IMPACT OF FAMILY CONCERN ON EXPATRIATES:** Family adjustment to a new country plays a significant role in expatriate success. The reasons behind expatriate failure is relative to personal characteristics of partner, family characteristics, and cultural distance. Studying family related issues, contribute to the better understanding on the problems that cause expatriate failure through identity theory and investigate how organizations could support the expatriate experience by taking into consideration the role of the spouse and family, along with cultural distance to the expatriate destination.

The new culture, language problems, family issues, and tolerance for stress play important parts. Cross-cultural training becomes necessary for repatriated employees and their families before, during and after the foreign assignment with a strong link to culture and job novelty as well as degree of interaction. the spouses' perception and interpretation of the unfamiliar foreign environment as well as its new demands such as inability to deal with everyday life issues (e.g., buying groceries, shopping, banking), unfamiliarity with social structure and language of the host country not only increases high levels of uncertainty, insecurity, confusion and stress; it also plays a significant role in expatriate failure experience. Moreover, the spouses' feelings of isolation and being far from their usual support system (e.g., family, friends, and close colleagues) increase failure rate and disruptions in the identity, which may affect personal characteristics of the spouse.

In addition, the characteristics of the family also have an important impact on expatriate failure experience. Most importantly, lack of family preparation to the foreign culture results in critical challenges for the family in their adjustment. At this time, the family members' relationships and concerns for one another contribute towards expatriates' success and failure experience. In parallel, cultural distance in regards to values, norms, beliefs, and perceptions are strongly correlated to the expatriates' failure experience. The larger the cultural differences between the home country and the host country the more difficulty towards the expatriates' experience. However, through organizations better equipping both the expatriate employees and their families with needed cross-cultural training we find that disruptions in identity and identity loss are better managed.

**EFFECTIVELY MANAGING THE EXPATRIATION PROCESS:** The organizations that manage their expats effectively come in many sizes and from a wide range of industries. These organizations tend to follow three general practices:

- When making international assignments, they focus on knowledge creation and global leadership development. Many companies send people abroad to reward them, to get them out of the way, or to fill an immediate business need. At companies that manage the international assignment process well, however, people are given foreign posts for two related reasons: to generate and transfer knowledge, to develop their global leadership skills, or to do both.
- They assign overseas posts to people whose technical skills are matched or exceeded by their cross-cultural abilities. Companies that manage expats wisely do not assume that people who have succeeded at home will repeat

that success abroad. They assign international posts to individuals who not only have the necessary technical skills but also have indicated that they would be likely to live comfortably in different cultures.

- They end expatriate assignments with a deliberate repatriation process. Most executives who oversee expat employee's view their return home as a nonissue. The truth is, repatriation is a time of major upheaval, professionally and personally, for two-thirds of expats. Companies that recognize this fact help their returning people by providing them with career guidance and enabling them to put their international experience to work.

**RECOMMENDATIONS:** Cross-cultural training should be provided to expatriates and their family members which will prepare them to understand cultural differences and avoid culture shock. Lack of cultural awareness will result into inability to successfully live and work in another country for the employee and his or her family. Hence, expatriates should be culturally aware about the host country. A training program given to the expatriates/repatriates should be tailored to the specific needs and adapted accordingly to the individual organization. The future research should focus on the influences of the gender in the expatriate success criteria.

## CONCLUSION

Assignees with adjusted spouses and with children accompanying them tend to be more adjusted and less likely to think about quitting the assignment. Family factors were found important predictors of a successful expatriation experience. Managers' consideration of their families in their career sense-making can be reflected in managers' career management for their families, time management for their families, and improvement of the situation for their spouses.

Close attachment to a spouse contributes to the formation of spousal identity as part of a greater individual identity that needs to be maintained which clearly states that spouses are key persons in the home who provide support to individuals. The spouses' perception and interpretation of the unfamiliar foreign environment as well as its new demands such as inability to deal with everyday life issues (e.g., buying groceries, shopping, banking), unfamiliarity with social structure and language of the host country not only increases high levels of uncertainty, insecurity, confusion and stress (Shaffer and Harrison, 2001); it also plays a significant role in expatriate failure experience. Moreover, the spouses' feelings of isolation and being far from their usual support system (e.g., family, friends, and close colleagues) increase failure rate and disruptions in the identity, which may affect personal characteristics of the spouse.

Lack of family preparation to the foreign culture results in critical challenges for the family in their adjustment. At this time, the family members' relationships and concerns for one another contribute towards expatriates' success and failure experience. In parallel, cultural distance in regards to values, norms, beliefs, and perceptions are strongly correlated to the expatriates' failure experience. The larger the cultural differences between the home country and the host country the more difficulty towards the expatriates' experience.

Focus should be on how organizations could support the expatriate experience by taking into consideration pre-departure and post-departure training programs align to the characteristics of the spouse and family along with their cultural distance to the expatriate destination.

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