

BUSINESS MATTERS

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MAXIMIZE EXPATRIATION SUCCESS!

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The experience of an expatriate's assignment has been a mixed success for international firms. Individual failure during an assignment affects nearly all multinationals.

While the selection process is for the most part effective, the lack of orientation training in the host country appears to be the main factor of the poor success rate.

Impact of expatriation

Multinationals are well aware that expatriation keeps them competitive on the worldwide market. That is why they have been, over the years, paying great attention in the selection process to insure higher performance from their expatriates. However, individual failure on assignment continues to affect nearly all international firms.

Thus it appears individual skills and competences cannot be the only answer to a successful expatriation. In fact it is often reflected that a psychological and socio-cultural process can contribute to immediate success in the expatriate adjustment. It has been documented that

the model of international adjustment is measured by the ability to: adjust to interacting with host nationals, and the general non-work environment. (Black, Mendenhall, Oddou - 1991).

The inability to live and work in a different culture becomes the main factor in an expatriate's resulting failure. It is estimated that 25% of expatriation end up in failure. It is mainly characterized in premature departures, high turnover rates and poor performance in the new assignment. This has major impacts on companies in terms of lost time and money.

Cost of expatriation

It is not advisable to stop expatriation altogether, since, in the mindset of today's globalization of business, an increasingly multicultural workforce is not a luxury but a necessity to stay competitive. In fact, 80% of midsize to large corporations send expatriates abroad, and there is no sign of slowing down this trend in the near future.

Multinationals, however, have to deal with the reality of the high cost of expa-

triation. Bringing an expatriate to a new host country ranges from \$300,000 to \$1 million per expatriate. An expatriate's assignment is surely one of the biggest investments a company has to make on one employee. For that reason a failed expatriate is a significant loss for any corporation, estimated to range from \$50,000 to \$150,000. That is why it is important to maximize the chance of success for each individual assignment.

Maximize success

Understanding the reality that multinationals have to face, and coming to the conclusion that support and assistance prior and during the assignment is the only answer to a better adjustment. By helping the acculturation process with "Orientation Training," a corporation maximizes the adjustment of an expatriate to live in a different culture. Expatriates unable to integrate to a new environment are likely to perform poorly in their new assignment.

The impact of a foreign environment cannot be measured. According Dr Hays research, 92% of expatriates believe the

ability to learn new social norms and cultural differences, in addition to the family adjustment (spouse and children) can determine their assignment success. It is clear to see an "Orientation Training" would increase the success rate of expatriation.

The orientation training of expatriates might seem to be an extra financial cost for a corporation in the short term. Yet, the long-term benefits are significant since customized "Orientation Training" can result in a better psychological, socio-cultural adjustment and overall assignment success.

Conclusion

An international workforce is the biggest asset of a multinational corporation. It allows for the company's constant growth and helps it stay competitive in the global market. Being aware of the differences in culture and language does not come without training or insight; this is today, a most necessary skill. That is why it benefits a corporation to invest in an orientation program and insure the expatriate's success. ■