

EXPATRIATES AND THEIR SPOUSES: A PILOT STUDY IN THE LIMERICK REGION, AND DIRECTIONS FOR FUTURE RESEARCH

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Increased internationalisation of business has resulted in more employees spending time in foreign locations as expatriate workers (Gregersen and Black, 1992). Nowhere is this more true than in the European Community. Linkages between E.C. member countries has resulted in increased intra-regional trade and investment (Dekker, 1989; Nicoll and Salmon, 1990) as well as increased business interest in the region on the part of non-EC organisations (External Affairs and International Trade Canada, 1992). Developments in Eastern Europe are also contributing to firms' interest in Europe as a whole.

While the future direction of the EC is not certain, whatever the prospects, cultural differences will remain. Even if Europeans increasingly see themselves as 'European' rather than 'German', 'Italian', 'Irish' and so on, these countries continue to retain their unique cultural characteristics, and moving from one European country to another will as a result continue to require adjustment. Indeed, much of the literature would suggest that even with the ever increasing globalisation of industrial activity, there is very little evidence to suggest that cultural diversity is decreasing in any significant way. According to Hofstede, 'Value differences between nations described by authors centuries ago are still present today, in spite of continued close contact. For the next few hundred years, countries will remain culturally very diverse' (1991: 238). For non-Europeans, the European expatriate experience can be especially challenging, because not only does it mean moving to a foreign country, but it is also likely to involve doing business in a host of others. For those considering Eastern Europe, the cultural challenges are even greater. Understanding the experience of expatriates in the EC will help firms to manage and facilitate these employees more effectively.

The performance of expatriates while in a foreign location can have major implications for the parent firm, the foreign affiliate and the expatriate. The cost of expatriate failure and poor performance is difficult to estimate because it includes much more than the actual costs associated with the transfer, but most executives would agree that it is substantial. Copeland and Griggs (1988) estimated that American companies lose \$2 billion a year in direct costs due to expatriate failure. While there is no figure for the costs associated with lost business and damaged company reputation caused by expatriate failure, they assume the numbers to be 'frightening'.

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Demographic changes in the workforce have also added to the challenges facing companies who send their employees on foreign assignments. For example, Lewis, Izraeli and Hootsmans (1992) underscore the increasing importance of recognising dual earner families on a world-wide basis. Firms need to be conscious of this development in the workforce and to adapt to it. The large number of dual-earner families world-wide today implies that both partners will be more likely to be accustomed to working outside the home. The spouse who is unable to obtain such work may find it difficult to cope with this, making the spouse even more critical to the expatriate's adjustment.

Understanding the expatriate experience has received substantial attention in the international research literature (Black, Mendenhall and Oddou 1991; Hendry 1992; Mendenhall and Oddou 1985; Tung 1988a). This research has consistently concluded that the spouse plays a major role in effective adjustment to a new location (Black and Stephens, 1989). Black and Gregerson (1990) have also found that seeking opinions from spouses before departure to a foreign location can itself have a beneficial impact on overall adjustment to the new working context. It has also been suggested that unless the pressures faced by spouses are recognised as being at least in some ways different from those of the expatriate assignee (and sometimes more difficult), the benefits of the expatriate experience cannot be maximised. The success of the spouse's adaptation has been found to affect expatriate performance on a number of levels, and one of the methods for facilitating this adjustment is that of pre-assignment training (Adler 1986). Further findings would suggest that training is not in fact a high priority, at least among U.S. companies where up to 60% of companies do not provide training for expatriates, and considerably less provide any training whatsoever for spouses or families (McEnery and DesHarnais 1990).

Coyle and Shortland (1992) report that adjustment problems during relocation are extremely common: 'virtually all expatriates suffer some degree of culture shock'. Culture shock is generally characterised by a feeling of disorientation, of uncertainty and even depression, which can create a negative impact on both personal and professional functioning. The differing pressures often faced by expatriate spouses can make culture shock even more likely and more intense than that faced by their assigned partners. While individual expatriates may have had more of an opportunity to develop the 'global skills' necessary for this type of work, it is less likely that spouses and families will have developed such skills. If there is training before departure, it is more likely to have been directed at the expatriate, and yet it is the spouse and/or family which may be exposed to more cultural adjustment challenges. Expatriate assignees are often more buffered from the local culture of a foreign assignment, whereas their spouses (especially those who do not seek or do not find employment) will tend to spend more time having to operate on a day to day basis in the local community, and can face a much wider range of different pressures and challenges.

The Pilot Study and its Context

The pilot study described in this paper sought to examine the expatriate issue in a particular European location, with a focus on the spouse. The major efforts made on behalf of the Irish government to encourage non-EC firms to locate in Ireland has contributed to the considerable multinational subsidiary presence in the country. The large number of subsidiaries to which Ireland is host includes approximately 360 American companies, 225 from the U.K., 151 from Germany and also substantial numbers from Canada, the Netherlands, Sweden and Japan. (Department of Industry and Commerce 1990)

Whatever the criticisms of excessive dependency on foreign companies, multinational subsidiaries are a major characteristic in Irish business and are considered to be an inherent aspect of the Irish economy. Among the range of research directions that this may imply, studies relating to the expatriate experience could provide a useful database for firms who are located, or are considering locating in Ireland.

The following is an outline of the small pilot study carried out on a group of expatriates and their spouses in one location in Ireland. The study was aimed at building a perspective on this group's perception of the experience. The main data collection method was via a mail survey which was supplemented by a number of group discussions with spouses.

While this study contains too small a sample to derive generalisable results, it is the contention of the authors that a similar, larger scale study, combined with qualitative interviews, would provide useful information regarding the issues faced by expatriates in the Irish context.

Informal group discussions were organised on four occasions. The authors met with groups of spouses to discuss the project and to seek input regarding the survey, as well as to gain an overall impression of the spouses' expatriate experience. The survey was developed based on an earlier study of women expatriates and their spouses (Punnett, Crockér and Stevens, in press), and incorporated suggestions from the informal discussions. Two questionnaires were used, one for the expatriate and one for the spouse. Questions focused largely on the spouses' experience. Questions for the expatriate were parallel to those of the spouse – for example, the spouse was asked: 'How influential were you in the decision to accept this assignment?', and the expatriate was asked: 'How influential was your spouse in the decision to accept this assignment?'

Virtually all of the expatriates in Ireland are currently male and a focus on women as spouses was therefore seen as acceptable for the purposes of this preliminary study. The sample was derived from 'The International Women's Organisation' located in Limerick. This sample can only be seen as adequate in the context of a pilot study, as all subjects were self appointed members of the organisation and many were involved in similar activities within this group on a regular basis. Larger scale studies will need to incorporate a considerably larger and more heterogeneous group.

The questionnaires were pre-tested with five expatriate couples from this group and modified based on their suggestions. The survey incorporated questions regarding experiences and concerns of expatriates and their spouses as well as suggestions for facilitating the expatriate experience. It was divided into three main sections – one section focused on pre-assignment issues, one on current issues and one dealt with the area of company activities for spouses.

The women and their partners were asked to complete the questionnaires separately. A total of 67 couples were sent questionnaires, with a final response rate of 36%. Because of the sample, 'expatriate' in the discussion refers to the working husband or male partner and 'spouse' refers to the wife or female partner.

Main Results and Discussion

Pre-assignment Issues

Families were given an average of three months notice of relocation, with a maximum of nine months in some cases, and in some cases, virtually no notice. Spouses saw themselves as 'somewhat influential' in the decision to accept the assignment as did their husbands/partners. 'Career development' was the most important reason given for the decision to accept the assignment, followed by 'financial benefits' for spouses and then it being an 'exciting experience'. The expatriates (men) were significantly more likely to give 'exciting experience' as a reason for accepting the assignment than their spouses, and this was second in importance for men, with financial benefits third. Knowledge of the host country varied substantially, as might be expected in a group encompassing home countries as varied as Japan and the UK. Knowledge regarding possibilities for the spouse to work was the area of least information, but almost 80% of spouses did not intend to work outside the home during the assignment. Most couples (63%) did not have personal contacts in Ireland prior to arrival.

No pre-assignment training had been provided for any family. This was, on average, considered to be at least somewhat inadequate. 50% of respondents were neutral regarding training, but 37% considered the lack of training to be 'very inadequate' and none felt that the situation was even somewhat adequate. 68% of the respondents said that efforts in learning about the host country were 'very important' or 'somewhat important'. Men attached more importance to their spouses' efforts to learn about the host country than the women themselves did.

Current Issues

Most respondents reported that they were 'somewhat satisfied' with the assignment and, similarly were 'somewhat willing' to go on another assignment. Respondents generally believed that the assignment had so far been 'somewhat successful' for the expatriate's career. In contrast, respondents were 'somewhat dissatisfied' with the employment situation for spouses. This was reflected in current activities reported as being 'not at

all' geared towards a career outside the home. While most spouses had not intended to work outside the home, the levels of dissatisfaction expressed regarding their employment situations would suggest that either the lack of options or range of possible activities is some cause for concern. This is supported by respondents saying that they were 'somewhat prepared' for the spouses' work environment, yet also reporting that they were subsequently dissatisfied with it.

Stress did not appear to be a major concern for spouses, most reporting 'seldom' or 'sometimes' feeling unable to cope with the demands of the assignment. Missing family and friends was the most important contributor to stress, and 'partner being away often' was the next strongest stressor reported. Having too little to do was reported by spouses as being more stressful than having too much to do. Respondents felt that the assignment had a 'moderately positive' effect on their relationship/marriage.

Company Activities for Expatriate Spouses

Fourteen activities were identified as those which companies should undertake to help support spouses in expatriate situations. Respondents were asked to rate each activity on a scale from one (unimportant) to five (very important). These scores were used to rank activities in order of importance. The results are given in Table 1.

Table 1: Company Activities Rating Scores

| ACTIVITY | SCORE |
|--|--------------|
| Company help in obtaining necessary papers | 4.40 |
| Counselling for spouse regarding work/activity | 4.14 |
| Adequate notice of relocation | 4.08 |
| Financial support for spouse's education | 4.03 |
| Development of support groups for spouses | 3.97 |
| Pre-departure training for spouse and family | 3.81 |
| Compensation for spouse's lost wages/benefits | 3.79 |
| Internationally co-ordinated employment networks | 3.40 |
| Help with repatriation into home country | 3.28 |
| Financial support for research | 3.12 |
| Administrative support for spouse | 2.97 |
| Financial support for creative activities | 2.81 |
| Financial support for volunteer activities | 2.72 |

Interestingly, women rated a number of suggestions as being significantly more important than did their male counterparts: development of support groups (4.2 versus 3.67); creation of a job (3.88 versus 3.22) and provision of administrative support (3.47 versus 2.47).

Help with working papers and opportunities were considered to be particularly important, with adequate notice of relocation also appearing high on the list. Although pre-departure training was ranked nearly half way down the list, discussions and additional comments (sought at the end of each questionnaire) suggested that this could play a major role in easing the overall adjustment process.

For the entire sample, there was a significant positive correlation between cultural similarity and satisfaction with the assignment. For the women, length of notice was positively correlated with interest in another assignment, but this was not true for men. For the group as a whole, satisfaction with the spouse's employment situation was positively related to willingness to go on another assignment, but this was not the case for spouses as a sub group.

Conclusions

The purpose of this pilot study was to uncover some of the issues relating to expatriate adjustment in Ireland with the aim of providing preliminary guidelines for companies who do assign, or plan to assign expatriates to this location.

Most respondents in this small sample were relatively satisfied with the assignment and if this group were typical of all expatriate couples, there would not be a major cause for concern among firms assigning expatriates to this region. Caution needs to be exercised, however, in assuming this sample's ability to provide a general picture as to expatriate satisfaction, which is why it is recommended that a large scale study of this nature be carried out, and that demographic information be accounted for (particularly factors such as career orientation of spouse and number of children). Nevertheless, it would seem that based on these findings, cultural similarity does need to be at least considered as positively correlated to satisfaction, and that possible causes for concern include:

- Adequate notice and training for spouses
- Assistance in work-related activities
- Development of support groups for spouses.

Given the high cost of expatriate failure, the cost-benefit trade-off of improving the expatriate experience based on the recommendations of expatriates themselves would almost certainly yield a beneficial result. However, it is important such recommendations continue to be sought on a more widespread level, so that both general and specific guidelines for different groups can be established.

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