



## Revisiting the expatriate failure concept: A qualitative study of Scandinavian expatriates in Hong Kong

David S.A. Guttormsen<sup>a,\*</sup>, Anne Marie Francesco<sup>b,c</sup>, Malcolm K. Chapman<sup>d</sup>

<sup>a</sup> Department of Communication and Culture, BI Norwegian Business School, Nydalsveien 37, N-0484 Oslo, Norway

<sup>b</sup> Hong Kong International Management Consulting Company, Hong Kong SAR

<sup>c</sup> LUISS Business School, Villa Blanc, Via Nomentana, 216, 00162 Roma, Italy

<sup>d</sup> Centre for International Business, University of Leeds (CIBUL), Leeds University Business School, Maurice Keyworth Building, University of Leeds, Leeds LS2 9JT, United Kingdom

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### ABSTRACT

This article advances the understanding of expatriate failure, which remains a contested social phenomenon in international work life as well as scholarly research. The study challenges the definition of expatriate failure and its inherent biases, i.e., the epistemological primacy of the firm level and the failure/success binary. We argue that this qualitative study of 51 Scandinavian expatriates in Hong Kong can contribute to advancing theory on the expatriate failure concept by asking individual expatriates what constitutes failure to them. By applying social constructionist and social anthropological ideas to the expatriate failure concept debate, we develop the internationality thesis which demonstrates a discrepancy between the expatriates' perceptions of successful international assignments and the actual nature of their lived lives; many expatriates desire to enrich their lives through experiencing an international/intercultural and adventurous lifestyle, but, in fact, living lives with limited intercultural exposure and interaction. We conclude by proposing a reconceptualisation of expatriate failure in terms of offering both a new definition and approach to researching expatriate failure in which time/duration, context, and geographical location need to be taken into account. We believe the new approach can overcome some of the empirical unsoundness of mainstream definitions.

### 1. Introduction

Expatriates are the costliest group of employees in multinational enterprises (MNEs); they receive high compensation, and many studies suggest that they often fail resulting in even higher financial costs, negative psychological impact on the expatriates and their family members, and threats to the organisation's reputation and ongoing operations (Black & Gregersen, 1999; Minbaeva & Michailova, 2004; Nowak & Linder, 2016). Challenges relating to moving people across country and cultural borders make successful expatriate management a crucial task for international companies (Harzing, Pudelko, & Reiche, 2015; Holopainen & Björkman, 2005). It is therefore important to manage and to comprehend expatriate failure (EF) as a social phenomenon for the betterment of both the social and corporate lives of expatriates and for researchers who study the issue.

Mainstream research efforts in International Business (IB) and, particularly, International Human Resource Management (IHRM), have for more than three decades predominantly assumed, and studied, EF as meaning the return home of the expatriate before the end of the

contract (Dowling, Festing, & Engle, 2017; Naumann, 1992). Ontologically speaking, the firm level dominates as the analytical level in IB/IHRM research (Buckley, 2002) which is reflected in the firm-level bias in the EF concept: failure as defined and understood by the firm is when an expatriate does not complete the plan (i.e., contract) that was laid out by the firm. In extant IB/IHRM literatures, failure and success factors have largely been studied as antonyms, where success, in effect, has been considered as *not* having ended the contract prematurely (Canhilal, Shemueli, & Dolan, 2015). Thus, the issue of actual performance and whether the expatriates themselves consider the experience successful have largely been ignored. Hemmasi, Downes, and Varner (2010) pointed out the need for expatriates themselves to define what constitutes failure. However, the call remains unanswered. By focusing on individual expatriates and how they socially construct failure and success, our article responds to various calls for focusing on expatriates' actual lived experiences during their international assignment (McNulty & Brewster, 2016) – as opposed to approaching failure merely as a yes/no outcome from the firm-level perspective (see Bonache, Brewster, Cerdin, & Sutari, 2014).

\* Corresponding author.

E-mail address: [david.guttormsen@bi.no](mailto:david.guttormsen@bi.no) (D.S.A. Guttormsen).

In this article, we focus on how and why individual expatriates socially construct assignment failure for themselves. Working from a social constructionist theoretical framework, we define and develop the concept of EF through the use of qualitative data collected directly from working expatriates.<sup>1</sup> On this basis, we argue that the conventional definition of EF is contestable, as previous research has overemphasised the view of the firm at the expense of the individual expatriate viewpoint. By focusing on individual expatriates' social construction of failure, we are able to make a theoretical contribution to the extant IB and IHRM literatures, as well as the specific subject areas of global mobility and expatriate management, by considering how failure is defined at the individual (expatriate) level (see Gioia & Pitre, 1990; Hitt & Smith, 2005). Furthermore, an additional contribution relates to challenging the ontological premise (i.e., firm level) of EF (see Corley & Gioia, 2011; Kilduff, 2006) as we seek to leave behind the unhelpful dichotomy of success/failure as the most important outcome of an expatriate assignment.

The structure of the present article is as follows. First, we elucidate the epistemological, ontological, and empirical shortcomings of the EF concept in extant IB/IHRM literatures and explain our use of social constructionism as the theoretical framework. Second, in the methodological framework, we respond to the firm-level bias in the literature by explicating our qualitative in-depth interview approach. This approach captures individual expatriates' perceptions of EF. Third, we focus on how the expatriates as individuals socially construct what failure and success mean to them within their natural context. This leads to discussing how the EF concept can be reconceptualised. Finally, the paper concludes by outlining theoretical contributions, managerial relevance, research implications, and limitations.

## 2. Critique of the current conceptualisations of EF within IB/IHRM research

A critique of the current conceptualisation of EF can be made from four points of view. The first avenue relates to the definition itself. As can be seen in research articles and textbooks on the subject, business school academia has for nearly four decades embraced "premature return of an expatriate" as the definition of EF (cf., Dowling et al., 2017, p. 125; Naumann, 1992, p. 499; Simeon & Fujii, 2000, p. 594). The definition implies that the return takes place before the end of the contract (Hill, 1998). Since a definition forms the meaning of the phenomenon which it is attempting to define, it thus becomes unavoidable that the definition itself heavily influences and shapes the emergent research agenda connected to this phenomenon. We argue, therefore, that the EF definition has limited the study of EF to encompass only one aspect of the actual phenomenon.

Second, the focus on the premature ending of the contract has plausibly led to a three to four decade long research emphasis on expatriate employee selection as a means to decrease EF (Harvey, 1985; Torbiörn, 1982). Failure has also been connected to poor job performance, including cases where there is no premature return (Tarique, Briscoe, & Schuler, 2015). In addition, EF has been studied with respect to expatriate characteristics (Naumann, 1993); satisfaction (Downes, Thomas, & Singley, 2002); the psychological contract (Pate & Scullion, 2009); turnover (Naumann, 1992); withdrawal intentions (Bhaskar-Shrinivas, Harrison, Shaffer, & Luk, 2005); intention to quit (Gregersen, 1992); and various aspects of international and cross-cultural adjustment (Black & Mendenhall, 1990; Church, 1982; Tung, 1981). Additionally, failure has been studied in relation to single factors, such as

pay and compensation systems (Black & Gregersen, 1991; Black, 1992).

However, there is an unhelpful commonality across all these studies: they focus on failure merely as an outcome (see Takeuchi, Marinova, Lepak, & Liu, 2005). The expatriates' perceptions are included in a very few prescribed independent/dependent variables or used as antecedents/predictors. We believe that this research tradition reflects a major gap in the research agenda as far as EF is concerned, namely that expatriates' own lived experiences *during* their international assignments have been understudied, and instead, researchers have focused on finding links to failure, such as selection or satisfaction, that occur before and after the expatriate moves abroad (McNulty & Brewster, 2016).

Third, the properties of the EF definition are shown as a particular ontological assumption of what failure as a social phenomenon looks like. The over focus on failure as an outcome variable has led to, by default, the implausible binary assumption that *presence* of success means an *absence* of failure (Canhilar et al., 2015) and/or the assumption that failure exists only on the basis of being deemed to be so by *the firm* (Harzing & Christensen, 2004). The broader IB/IHRM research agendas share a strong firm-level focus (Buckley, 2002; Delbridge, Hauptmeier, & Sengupta, 2011; Keegan & Boselie, 2006), which has led to little consideration of the larger society within which the firm operates (Harzing & Christensen, 2004). Moore (2003) also underscores the issue concerning the dominance of the firm level in her case study of a foreign branch office of a German MNC which failed to consider internal subculture diversity. Again, the firm level is granted primacy at the expense of the individual expatriates and their personal social construction of what constitutes failure for themselves. For example, a study on EF by Black, Gregersen, Mendenhall, and Stroh (1999) reflects the firm-level bias as they only examined failure in relation to organisational factors. We are not arguing that the definition (i.e., premature return) is wrong – as firms will define what a failure is to them. However, as demonstrated above, the EF definition has ontologically discounted the viewpoints of the individuals in question (expatriates) which our research focuses upon.

Fourth, the ontology underlying the EF definition is also responsible for a particular body of literature relating to the concept of EF, i.e., the reported high failure rates which are increasingly being disputed. Black, Mendenhall, and Oddou (1991) reported failures in the range of 16–40%, and in early studies, high failure rates were considered a particular problem for U.S. multinationals (Tung, 1981). Harzing's commendable scholarship has illuminated stark fallacies concerning alleged EF rates, showing the limited empirical foundation for such claims, and the poor referencing of those making them (Harzing, 1995; Harzing & Christensen, 2004). Harzing (1995) meticulously provided evidence by following the reference trail back through leading academic journal articles and found that most reported (high) failure rates were unsubstantiated, speculative, and sometimes the result of poor or lazy referencing. Moreover, it was suggested that an underperforming expatriate could also logically be considered as a failing expatriate in accordance with the above stipulated definition because it would be detrimental to both the individual as well as the firm (which relies on the performance of said expatriate). Harzing and Christensen (2004) noted that, even after they pointed out the above shortcomings, contemporary academics continued to report fictitiously high failure rates. The findings indicated, on the contrary, very low failure rates (most rates below 5–7%), with American firms only occasionally facing somewhat higher failure rates than their European counterparts (Harzing, 1995). Exceptions to poor referencing and empirically unsound claims included articles by Tung (1981) and Torbiörn (1982) – however, the findings of these two authors were drawn from limited survey samples.

Subsequently, Harzing and Christensen (2004) asked whether the concept of EF should be abandoned altogether when analysing turnover and performance management in favour of the general Human Resource Management (HRM) literature. Harzing and Van Ruysseveldt

<sup>1</sup> Our working expatriates came from both corporate and non-corporate sectors and included individuals who had been working in Hong Kong but were currently in transition/on maternity leave/homemakers. Aligned with our theoretical framework (social constructionism) the above sample reflected the composition of the Scandinavian expatriate community and how these individuals themselves socially constructed each other as expatriates.

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