

**A STUDY OF THE CAUSES OF EXPATRIATE FAILURE AT INDRA  
LIMITED, NAIROBI, KENYA**

**DOLFINA ACHIENG ODHIAMBO**

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF HUMAN  
RESOURCE MANAGEMENT IN THE OPEN UNIVERSITY OF TANZANIA**

**2015**

**CERTIFICATION**

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a dissertation entitled **“A study of the causes of expatriate failure at Indra Limited, Nairobi, Kenya”** in partial fulfillment of the requirements for the degree of Master of Human Resource Management.

.....

Dr Proches Ngatuni

**Supervisor**

.....

Date

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**DECLARATION**

I, **Dolfina Achieng Odhiambo**, do hereby declare that this dissertation is my own original work and that it has not been submitted for a similar degree in any other university.



.....

.....

Date

## **DEDICATION**

*To my wonderful Mum and Dad, my husband Eddie, who encouraged me to press on,*  
I wish to dedicate this work. I want to say a big thank you from the bottom of my  
heart.

God bless you!

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## ABSTRACT

The main purpose of the study was to identify the individual factors, work factors and environmental factors influencing expatriate failure at Indra Ltd. The study employed a quantitative descriptive survey design. A questionnaire containing closed ended questions was either administered either via emails or interviewer administered to the expatriates currently based at headquarters. A total 28 usable questionnaires were received out of the 40 distributed to Kenyan expatriates. The data obtained was analysed using descriptive statistics and correlation with the help of statistical computer packages specifically Microsoft Excel and Statistical Package for Social Sciences SPSS. The mean scores on intention to leave were then correlated with individual factors, work factors and environmental factors. The study found that Kenyan expatriates experienced failures as proxied by intention to leave and that this failure is there irrespective of age, gender and work experience. The study also finds that of the individual factors, satisfaction with quality of life abroad, children, autonomy, and spouse satisfaction were the most influential factors while age, education and spouse adjustments of the expatriates were not. Satisfaction with salary and allowances, satisfaction with opportunities for career advancement and satisfaction with the relationship with supervisor were the most influential work factors and so were participation in decision making and exercising authority on the job in their job autonomy category. Cost of living, standard of living and availability of medical facilities were ranked most influential environmental factors. Although the results also indicate no significant correlation between mean intention to leave scores and mean scores of individual factors, work factors – whether in total or separately in job satisfaction or job autonomy, and environmental factors, the mean scores for job satisfaction was statistically significantly positively correlated with mean scores on environmental factors and so was job autonomy with environmental factors and work factors and environmental factors. These results are not surprising because it is hard to separate work factors and environmental factor. The two are naturally interconnected.

**Key words:** expatriate failure, intent to leave, demographic factors, individual factors, environmental factors, work factors.

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**LIST OF ABBREVIATIONS AND ACRONYMS**

ANOVA	Analysis of Variance
CHRM	College of Human Resource Management
HCNs	Host Country Nationals
IT	Information Technology
LTD	Limited
MEF	Mean Environmental Factors
MITL	Mean Intention To Leave
MINDIV	Mean Individual Factors
MJAUTO	Mean Job Autonomy
MJSAT	Mean Job Satisfaction
MNCs	Multinational Corporations/Companies
MRA	Multiple Regression Analysis
MWF	Mean Work Factors
OUT	The Open University of Tanzania
Rev'd	Reversed
SPSS	Statistical Package for Statistical Studies
TCNs	Third Country Nationals

## **CHAPTER ONE**

### **1.0 INTRODUCTION**

#### **1.1 Background of the Study**

Most multinational corporations/companies around the world have direct investments in foreign markets and quite often staff their foreign operations locally. The infusion of home country nationals occurs as and when deemed necessary, hence additions to overseas personnel mix by the parent companies. This usually happens when the head office perspectives need to be represented at the subsidiary level. On other instances, expatriates are deemed to carry with them essential managerial or technical skills required especially when the organization is keen to having same models customized around its global operations (Birdseye and Hill, 1995).

For some organizations going abroad comes with a myriad of constraints to the employees and their families and lack of ability to cope with the changes such as environment and different cultures as well as adaptation can influence and cause negative activities with repercussions resulting into expatriate failure or turnover within the meaning of intent to leave the organization. Indra is no exception to these eventualities hence the plea of the researcher to explore the subject of expatriate failure, and its causes.

#### **1.2 Background of Indra (International) Spain & (Indra Ltd.) Kenya**

Indra is the leading Spanish Integrated Technology Solutions and Services Company, with revenues of Billions €2.68 in 2011 with a composite annual growth rate of 10% over the past 10 years, making it the fourth biggest European IT company by market capitalization and international sales representing a third of its total revenues. The

company has undergone a dramatic change over the last three years, with the recent acquisition of Azertia and Soluziona, two of Spain's largest IT companies. Indra prides itself in being the first Spanish integrated solutions provider to have been listed on the European Union's contract list. The total workforce at the close of 2011 stood at 36,000 employees out of which approximately 80% are graduates and highly qualified and 25% work outside Spain. The company possesses the necessary qualified and experienced management, consultants and technical personnel who provide a full service of complex turnkey projects throughout the phases. Integrated system design, system deployment, integrated logistic support, operational organization and training are Indra's core business skills.

Indra offers a full range of products presented in the form of solutions and services. Indra's solutions combine strategic and business consultancy skills with an in-depth knowledge of the technologies employed in order to respond to the challenges faced by its customers. Indra has developed a broad range of solutions that may be structured as follows:

- (i) Security and Defense (security and defense systems, defense electronic equipment, simulation and automatic test systems);
- (ii) Government (transport and traffic, public administration and healthcare); and
- (iii) Commercial IT solutions (telecom and utilities, finance and insurance, industry and commerce)

Security and defence represent approximately 30% of the total turnover of Indra and, together with Government related solutions and services, the figure reaches 61%. The company has its headquarters and main facilities in Spain but also has presence

internationally with 35 subsidiaries around the globe, having managed turnkey projects in over 110 countries. The origin of Indra's activities dates back to 1921, which after various modifications in its corporate and equity structure, gave rise in 1993 to the configuration of what is now Indra. Since the year 2000, Indra has experienced strong growth above the sector average, thanks to a differential business model and a greater presence within international markets, supported by the creation of subsidiaries in countries such as the United States, China, Portugal, Brazil, Africa, to highlight but a few. Among others around the world, Indra Spain counts on the Kenyan subsidiary company, Indra Limited. Indra Limited was set up in 1995 with its headquarters located in Laxcon House, 6<sup>th</sup> floor, Limuru Road, Nairobi. The company is in charge of development of activities and the support of Indra customers in the Sub-Saharan Africa region.

From its inception it has since proved its capacity to develop information systems consulting projects, as well as projects involving organization and company strategy definition. From its first client in the region (Kenya Power and Lighting Company Limited - KPLC, 1995), it has expanded and consolidated its position through contracts with other clients such as Kenya Civil Aviation Authority, Nairobi City Water & Sewerage Company, KENGEN, Bamburi Cement, PTA Bank, Kenya Ports Authority, in Kenya, Umeme, Hima Cements – Uganda; ZESA – Zimbabwe; Botswana Government and BPC – Botswana; Ministry of Interior in Angola; EEPCO – Ethiopia, Eskom, MTN – South Africa , AESONEL-Cameroon, ZESCO and the Ministry of Finance and National Planning– Zambia. The most recently awarded contracts are the Ministry of State for Defence for the supply, installation and commissioning of third generation military identity cards system as well as KAA



(Kenya Airports Authority) in Kenya. With subsidiaries in other countries (Zambia, Zimbabwe) and with a constant spirit of innovation, Indra Limited is today a sector leader in Africa. Indra Limited counts on the work of over 70 consultants in Africa having the support of Indra Spain. It is worth noting that as far as Africa projects are concerned Indra Ltd. in Kenya is the anchor for Indra International Spain in terms of support network for deployment of expatriates to the various African countries. Hence, Indra Ltd. plays a very integral part in the global scheme of business for the greater whole. The management of the employees is thus crucial in the sustenance and viability of growth in the region of Africa, knowing that the developed countries may not require as much development technologically as the developing world which includes but is not limited to Africa.

Turnover essentially refers to the separation of the individual employee from a firm, but in the international context it has been broadened to include other dimensions since expatriate turnover often involves internal transfers within the organization. Naumann (1992) has categorized turnover as external or internal, voluntary or involuntary, and functional or dysfunctional. At Indra Ltd. Kenya the common scenario that the study seeks to exploit is dysfunctional turnover which is in essence an expatriates' 'intent to leave or quit' the organization while on a foreign assignment. When staff eventually leave the organization as has been the case at Indra it is a costly affair and has resulted in reduced efficiency. The various ongoing projects where the expatriates are engaged usually have time constraints and the moment someone leaves, and then timely fulfillment of these projects occurs when the management is still grappling with the recruitments and replacement process. From the HR point of view it is difficult to always be ready with a replacement since it is not easy to know

when one is likely to leave the organization and again it is costly to employ many people since deployment of expatriates is usually a costly affair.

### **1.3 Statement of the Problem**

Indra Ltd. has experienced a considerably high rate of expatriate failure within the specific meaning of turnover and intent to leave the organization in the last five years. Between 2005 and 2011 Indra Ltd. had over 80 employees, (Indra staff leaver's database 2011). This problem seems to be escalating and it is the intention of this study to determine factors causing the expatriate failure with a bid to explore and recommend measures to curb the same. Indra Ltd. spends up to Kshs. 4 million, (Indra Ltd Audited Financial Accounts, 2010) to train its staff to ensure that they are technologically sound and well versed with the Indra business processes and service delivery methodologies that are unique to Indra and within the acceptable International standards worldwide as laid out by Indra-Spain the mother company.

The loss of 4 million plus yearly to competition through poaching activities, other turnover related reasons not forgetting the time and money consuming eventuality of recruitment and selection processes become a worrying phenomenon that Indra had to battle with. Although various studies have explored the factors behind expatriate failure elsewhere, for example by Birdseye and Hill (1995), Cotton & Tuttle (1986), Gregersen & Black (1990), Harzing (2004), Lee & Mowday (1987), Naumann (1992) and Tung (1987) to mention, but a few, little is known about the factors that influence expatriate failure in Kenya. In addition, Indra Ltd and its regional operations offered an excellent opportunity to study causes of expatriate failure. It was in this light that

this study was designed to explore the causes of expatriate failure in Kenya using Indra Ltd as a case study.

## **1.4 Research Objectives**

### **1.4.1 General research objective**

The main objective of this study was to identify the causes of expatriate failure at Indra Ltd, Nairobi, Kenya.

### **1.4.2 Specific Research Objectives**

To achieve the main objective, the study pursued the following specific research objectives:

- (i) To assess the level of expatriate failure at Indra Ltd.
- (ii) To determine whether individual factors such as age, gender, and experience contribute to expatriate failure.
- (iii) To determine whether work-related factors such as job satisfaction and job autonomy cause expatriate failure.
- (iv) To determine whether environmental factors such as standard of living, cost of living, educational facilities, cultural trends, availability of goods and services and medical facilities cause expatriate failure.

## **1.5 Research Questions**

### **1.5.1 Main Research Question**

The main research question was “what factors are behind the level of expatriate failure at Indra Ltd”?

### **1.5.2 Specific Research Questions**

To answer the main research question successfully the study sought to answer the following specific research questions:

- (i) What is the level of expatriate failure at Indra Ltd?
- (ii) Do individual factors such as age, gender, and experience contribute to expatriate failure at Indra Ltd?
- (iii) Do work-related factors such as job satisfaction and job autonomy cause expatriate failure at Indra Ltd?
- (iv) Do environmental factors such as standard of living, cost of living, educational facilities, cultural trends, availability of goods and services and medical facilities cause expatriate failure at Indra Ltd?

#### **1.6 Significance of the Study**

According to Harzing (2004) expatriate failure is an indicator that something is totally wrong within the organization and the management of expatriates is wanting. Identifying the factors that influence failure is one of the steps towards its solution. Therefore, this study assists in contributing to the already existing knowledge and literature about expatriate failure by adding evidence on the factors shown elsewhere as significant in influencing expatriate failure from a sector which deals with information and communication technologies. It is also hoped that by designing the study in such a way that it identifies expatriate failure from amongst existing employees rather than banking on those who have already exited, would assist Indra's management to develop, implement and re-enforce better policies to reverse and counter the problem. The results of this study are expected to feed into various aspects such as training materials, policy development processes and practices and processes of managing expatriate employees especially in companies operating in Africa.

## **1.7 Organization of the Dissertation**

The rest of the dissertation is organized as follows: Chapter two presents conceptual definitions, a review of relevant theoretical and empirical literature and finishes with the analysis of the research gap as well the conceptual framework of the study. Chapter three outlines the research methodology that was adopted in the study. Chapter four presents and discusses findings and lastly Chapter five summarizes the findings draws conclusions, and gives recommendations. Areas for further studies are also highlighted.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

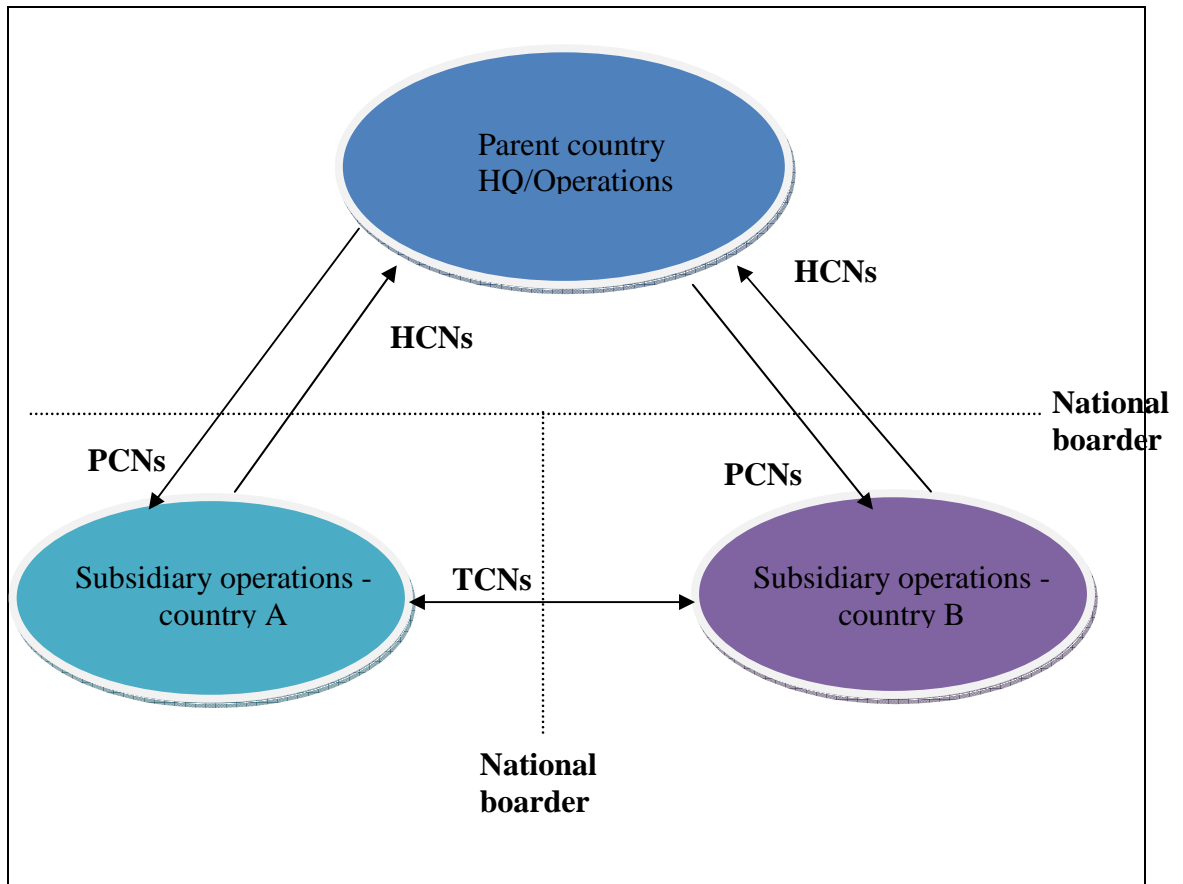
#### **2.1 Overview**

This chapter begins by defining the concept of Expatriate Failure in the context of turnover and intent to leave the organization which is the main focus of the study. Various articles on the subject (theoretical and empirical) are reviewed. This is then followed by an analysis/identification of the research gap and presentation of the conceptual framework.

#### **2.2 Conceptual Definitions**

##### **2.2.1 Expatriate Defined**

An expatriate is an employee who is working and temporarily residing in a foreign country. Some firms prefer to call such employees “international assignees”. The term “in-patriate” has also been used to refer to expatriates within the context of an employee from a subsidiary of the International firm being given an assignment or being transferred to work in the Parent Company (headquarters) of the said subsidiary. More often than not it has been overlooked that Third Country Nationals (TCNs) and Host Country Nationals (HCNs) who are transferred into Parent country operations outside their home country are expatriates. Further, the term “transpatriate” has also been used to refer to employees who are moved between subsidiaries (Dowling and Welch, 2007). To minimize confusion of use of terminologies, all these employees for the purpose of this study are expatriates. Thus, an expatriate is any employee who is transferred out of his/her home base crossing the border into some other area of the firm’s international operations.



**Figure 2.1: International assignments create expatriates**

Source: Adapted from Dowling and Welch, (2007)

In an international firm, there exists three categories of employees (of which the nationality of the employee is a major factor in determining the person's category) and there also exists three country categories. Figure 2.1 depicts these categories. First, the host country where a subsidiary may be located, second the home country where the firm is headquartered and third "other" countries that may be the source of labour, finance, and other inputs. On the other hand the first employee category is host-country nationals (HCNs), second the parent-country nationals (PCNs) and thirdly third-country nationals (TCNs) thus any cross-boarder movements by employees to fulfill international assignments invokes the reference of such employees as expatriates (Dowling and Welch, 2007). In many of the literature on

expatriates much reference is made of the expatriate being a manager. In this study however the expatriate being referred to are the employees who are not necessarily managers but very highly skilled IT professionals who cross the Kenyan boarder to go and fulfill international assignments for the firm -Indra Ltd.

### **2.2.2 Failure Defined**

Failure is defined as “the lack of success in doing or achieving something, especially something that you are expected to do” (Harzing and Christensen, 2004). This definition elaborates two components; the first part depicts, “the lack of success in doing or achieving something whereby in the context of managing international assignments it covers the inability to do “something” relating to the assignment. Of primary concern to any organization; is that a specific job is done and that something is produced and value added to the organization on the one hand and that the expatriate and his/her spouse and family are thriving under the new circumstances on the other (Harzing and Christensen, 2004). To them therefore expatriate failure meant “the inability of the expatriate or repatriate to perform according to the expectations of the organization”.

### **2.3 The Different Perceptions of Expatriate’s Failure**

Generally speaking, expatriate failure seems to be regarded as something negative, mostly referring to issues relating to the expatriate him/herself, although a “selection mistake” can refer to issues relating to the organization’s inability to select the “right” candidate. However, it is worth pointing out that what might be regarded as an expatriate failure from an organizational perspective might not be an expatriate failure to the expatriate and vice versa. In the expatriate management literature, it appears



that in order to be called an expatriate failure, the negative aspect needs to be damaging to the organization and not necessarily to the expatriate. For instance, if an organization re-organizes and a position is made redundant, the premature end to an assignment will not be regarded as negative by many organizations, but will simply be seen as part of the restructuring, where it (the organization) may be better off terminating the position or dismissing the expatriate. Hence, the premature end of the assignment is not an expatriate failure from an organizational perspective (even though it may be so to the expatriate). The opposite example is an expatriate who resigns from a position because of a better offer from a competitor. Here, the expatriate is better off, but this development is most likely to be damaging or dysfunctional to the company, and hence it should be called a failure (Harzing and Christensen, 2004). Naumann (1992) identified this dysfunctional element as a criterion for defining expatriate failure, although he intentionally did not use this term and referred to it as dysfunctional turnover instead.

Functional turnover is argued to be beneficial to the organization, e.g. a low-performing expatriate who quits or is fired, whereas a dysfunctional turnover occurs when a high-performing employee quits or requests an early transfer. The second part of the definition “the lack of success in doing or achieving something, especially something that you are expected to do” as Harzing and Christensen’s (2004), put, it emphasizes that failure occurs if what is expected to be done is not done. The consequence of taking the organizational perspective is that the focus is then on what the organization or employer expects from the expatriate/employee. If the expatriate does not succeed in achieving what is expected, he/she would be termed as a failure. When an employment relationship is established either on “domestic” or expatriate

conditions it must be assumed that both the employer and the employee hold expectations to what the other party should do. Some of these expectations are included in the written contract, e.g. the duration of the contract, the salary, and the number of working hours. However, other expectations than the ones included in the written contract may very well exist and these expectations may or may not be mutually agreed on. Several managerial processes and phenomena such as the performance appraisal, job description and the psychological contract include or describe these expectations. The expectations in the psychological contract (employee's belief about the reciprocal obligations between that of the employee and his or her organization) whether they are the organizations', the expatriate's, or both, is open to debate.

Psychological contract may also be seen in the light of what the individual and the organization expect to give and to receive in return from the employment relationship. What the organization expects from the expatriate, and what is communicated explicitly or just implicitly is crucial to the organization's perception of whether an expatriate is a failure or a success, and therefore whether the term "expatriate failure" can be applied or not. On taking these two elements into account, a more appropriate definition of expatriate failure might be: "the inability of the expatriate or repatriate to perform according to the expectations of the organization". This definition encompasses both under-performance during the assignment (which could lead to a premature end of the assignment, but this is not a necessary condition for failure) and dysfunctional turnover after repatriation. The dysfunctional turnover after repatriation is the main thrust of this study. As different organizations have different expectations and as expectations might change over time, this means that expatriate failure has to

be contextually defined. This definition does not also give a “verdict” on whether it is the expatriate or the organization that is to blame for the failure. An expatriate might for instance fail to perform, because of a lack of cross-cultural abilities or support (Harzing and Christensen, 2004). Harzing and Christensen’s, position is adapted in this study in that the two main components of expatriate failure in this definition are performance, and the associated concept of performance management, and turnover. Both of these concepts are well established in the general human resource literature. Harzing and Christensen, argue that it might be better to abandon the term expatriate failure altogether and instead focus on how we can apply the general knowledge on performance management and turnover to the domain of expatriate management. But it could still be early to do so since various researches on this concept, e.g. Black, et al. (1991); Dowling, et al. (1999); Gregersen & Black (1992); Naumann (1992); Tung (1987); have focused mainly on the expatriates in managerial positions in the various firms.

It is at this juncture that the concept of dysfunctional turnover after repatriation would be linked to the contributions of Birdseye and Hill (1995) and their paper on Individual, Organizational/Work and Environmental influences on expatriate turnover tendencies. According to them foreign postings are costly undertakings for multinational corporations especially when they fail. They claim that little research had been done then on the causes of expatriate turnover. In their case it is also important to point out that they focused on the executives, that is, people in management positions. Birdseye and Hill, on determining the factors that are likely to contribute to expatriate dissatisfaction leading to intent to leave organization or expatriate turnover/failure took the independent variables based on conceptualization

which divided the causes of intent-to-turnover and dissatisfaction into individual, organizational and environmental categories. Harzing and Christensen (2004) in her article “Expatriate failure: time to abandon the concept?” puts across a case that there is lack of systematic understanding of the concept ‘expatriate failure’ and hence reviews the concept and further classifies expatriate failure into the following five categories thereby establishing and presenting a more sophisticated and comprehensive understanding of the concept.

- (a) **Premature end to assignment;** in which the reference is that of “quits or transfer back home prior to completion of the expected foreign assignment”
- (b) **Premature end to assignment caused by a reason;** which refers to being recalled/dismissed because of inability to function effectively or likewise the premature return caused by inability to adjust or being returned early because of job dissatisfaction or difficulties in adjusting to a foreign country.
- (c) **Under-performance or similar, during assignment;** in which those expatriates who stay on their assignments but fail to perform adequately are considered.
- (d) **End to employment after repatriation;** where expatriate turnover occurs up to a year or more after repatriation and reference is made of it as “poaching”
- (e) **Repatriation problems;** referring to negative outcomes of repatriation. Sometimes, returning home poses even larger problems than the foreign assignment itself.

Thus, according to Harzing and Christensen (2004) the term “expatriate failure” encompasses a broad range of themes in current literature such as:- premature return, low performance and adjustment problems. While referring to “expatriate failure”

many other terms are also used interchangeably, such as expatriate turnover and transfer (Naumann, 1992) and recall rates (Tung, 1981). At Indra Ltd. Kenya the common scenario that the study seeks to exploit is dysfunctional turnover which is in essence an expatriates' 'intent to leave or quit' the organization while on a foreign assignment.

## **2.4 Theoretical Literature Review**

Naumann (1992) argues that expatriate failure may be caused by three categories of predictor variables. These are job/task characteristics, organization characteristics and worker characteristics which collectively are as responsible in influencing an expatriate's degree of job satisfaction, commitment to the organization and involvement in the achievements of the organizations goals, which in turn cause expatriate failure. Naumann (1992) further argues the expatriate's general satisfaction with, commitment to, and involvement in the organization may be moderated by perceptions of the career path resulting from an international assignment or by the overall level of cross-cultural adjustment. The expatriate's satisfaction, commitment, and involvement may also be moderated by the employee's family situation and the family's overall satisfaction with the international experience or by the characteristics of the country to which the expatriate is assigned. Thus, although the specific international variables influencing expatriate attitudes are largely unknown, however these attitudes toward the organization in the foreign assignment may result in the expatriate clarifying the intent to change employers, stay with the same employer but transfer home or stay in the international assignment. The expatriate's intentions may be modified by perceptions of both external and internal employment alternatives, which may in turn result in explicit search behavior, ultimately yielding an initial

turnover decision. The turnover decision, even if the choice is to stay, may result in changes in the employee's job and career expectations and influence subsequent performance. A decision to leave may not be manifested for an extended time period and may result in other withdrawal cognitions. Birdseye and Hill (1995) group the causes of expatriate turnover into three broad categories. These are individual factors, work/organizational factors and environmental factors. Given the paucity of empirical studies about expatriate turnover tendencies, they derived the following general hypotheses, among several others; (i) that intent-to-leave the job and the organization would be most affected by work and organizational factors; (ii) that intent-to-leave the location would be most affected by environmental factors; and (iii) that individual factors would affect all three turnover variables, but would be secondary influences relative to work/organizational and environmental factors.

The Second thing they did was, to broaden the intent-to-turnover concept to include two internal turnover variables (intent-to-leave the location and intent-to-leave the job) as well as the more widely used external turnover measure (intent-to-leave the organization). Gregersen and Black (1990) also suggested that non-job factors, such as, transportation, housing, food, and healthcare plays a significant role in expatriate retention while Birdseye and Hill (1995) identifies specific environmental elements that cause problems or hardships as the cost of living; standard of living, educational and medical facilities, and the quality and availability of goods for sale.

## **2.5 Empirical Literature Review**

Birdseye and Hill (1995) tested job satisfaction, job autonomy, functional area, and staff-line variables based on a survey of 115-expatriate to assess whether individual,

organizational/work and environmental influences on both internal and external turnover tendencies. Individual (or personal) factors were classified under three headings: demographic elements such as age, marital status and education; family situation (e.g., spouse satisfaction); and quality of life indicators (e.g., life satisfaction). It was found that job autonomy and material life satisfaction were key predictors for both internal and external turnover tendencies. Only for organizational turnover did job autonomy supersede material life satisfaction as the lead predictor of turnover tendencies. American expatriates attach much importance to maintaining living standards in postings to foreign locations. Demographic organizational factors such as organizations age, work group size, and type of industry have received weak support as predictive variables. Specific environmental elements that cause problems or hardships were identified as: cost of living; standard of living, educational and medical facilities, and the quality and availability of goods for sale

Naumann (1992) found that personality, age, being female and job tenure are weak predictors of satisfaction, yet personality, marital status, age, tenure in the organization and education are strong predictors of commitment. From these results Naumann (1992) argued that marriage is a stabilizing element for expatriates. Tung (1984) identified spouse and family related problems as primary causes of foreign assignment failures. Another factor is the Quality of life which emanates from autonomy of life and life satisfaction, how much an individual has the freedom to choose the kind of life they want to live. Gregersen and Black (1990) found that non-job factors such as transportation, housing, food, and healthcare plays a significant role in expatriate retention. . Similarly, Gregersen and Black (1990) found that adjusting to the general culture was related to an intent-to-stay variable.

## **2.6 Research Gap**

The works of Harzing (2004) on expatriate failure and the categorization of the factors/predictors of expatriate turnover by Birdseye and Hill (1995) and Naumann (1992) have motivated this study to explore the problem of expatriate failure also known as expatriate turnover or intent to leave organization specifically within the context of Indra ltd. The literature seems to be biased towards Western and Eastern Economies. Little is known in Africa as perhaps the phenomenon of Africans being expatriates has not gained equal recognition. Thus this study made at last two important contributions. First, the situation at Indra Ltd where Kenyans are also sent for overseas assignment gives perfect scenery for studying this subject in African context. Secondly, unlike Birdseye and Hill (1995) and others reviewed in this chapter which focused on expatriate managers on international assignment, this study focused on Kenyan non-management staff who are graduates and highly skilled technicians in the IT field also referred to by Indra ltd. as consultants)

## **2.7 Conceptual Framework**

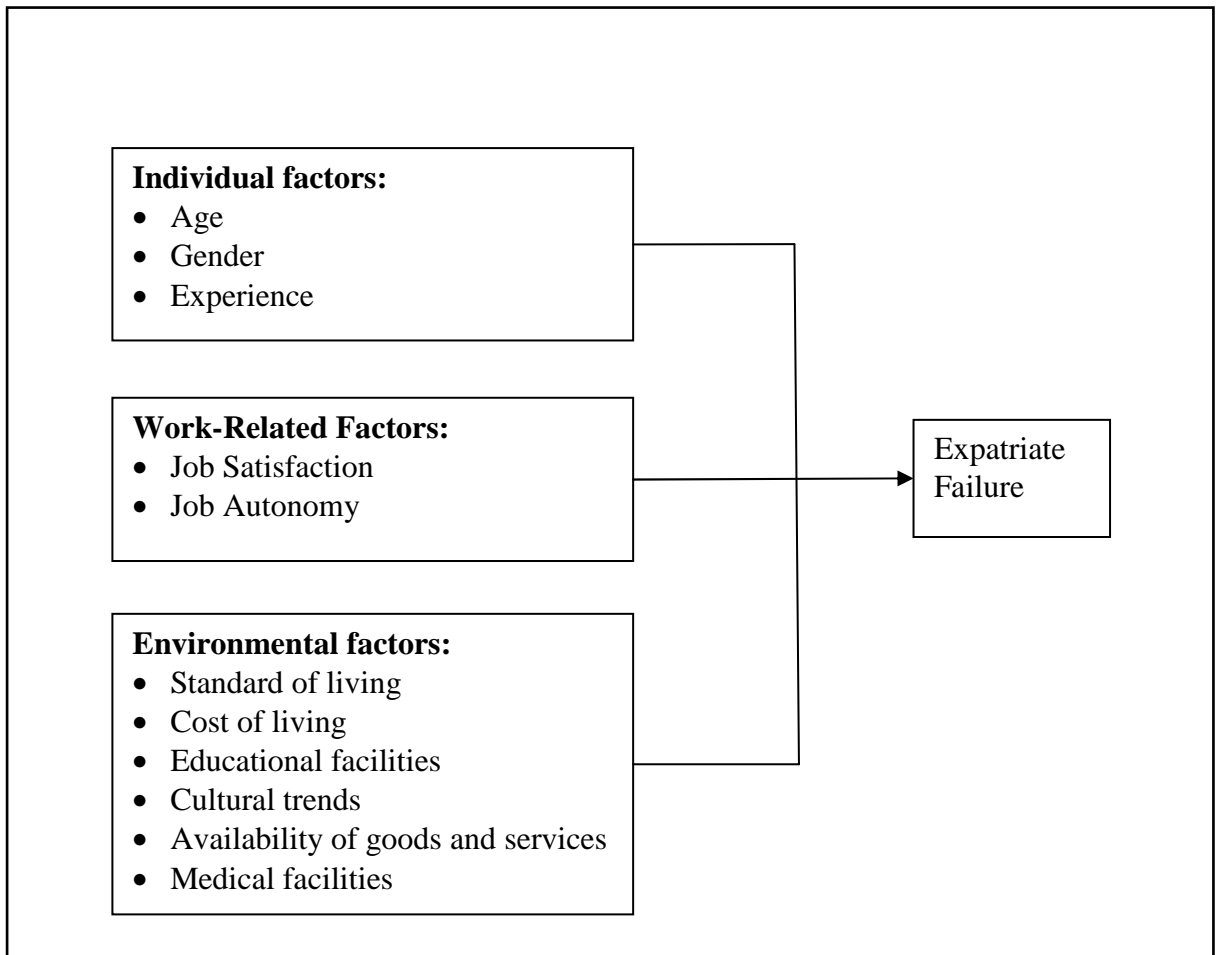
The study adopted Birdseye and Hill's (1995) in which the causes of expatriate turnover are grouped into three broad categories – individual factors, work/organizational factors and Environmental factors. Figure 2.2 presents the conceptual framework.

### **2.7.1 Individual Factors and Expatriate Failure**

According to Birdseye and Hill (1995) Individual (or personal) factors were classified under three headings: demographic elements such as age, marital status and education; family situation (e.g., spouse satisfaction); and quality of life indicators (e.g., life satisfaction).



Naumann (1992) finds that personality, age, being female and job tenure are weak predictors of Satisfaction, yet personality, marital status, age, tenure in the organization and education are strong predictors of commitment. Naumann (1992) also finds that marriage is a stabilizing element for expatriates while Tung (1984) identified spouse and family related problems as primary causes of foreign assignment failures.



**Figure 2.2 Conceptual Framework**

Source: Adapted from Birdseye & Hill (1995)

Another factor is the Quality of life which emanates from autonomy of life and life satisfaction, how much an individual has the freedom to choice of the kind of life they

want to live. The constraints and type of lifestyle individuals live in a foreign land fall here.

### **2.7.2 Work /Organizational Factors and Expatriate Failure**

Birdseye and Hill (1995) further state that while it is possible in theory to separate organizational and work-related effects on intent-to-turnover, in practice the two are not easily distinguishable, especially given that job-related conditions are parts of the overall organizational mosaic. When an organization becomes more experienced internationally the amount of role conflict and role ambiguity may be reduced as the organization strategically adapts more effectively to the foreign environment which may lead to a different structural configuration thereby enhancing satisfaction, commitment, and involvement through improved job design.

Worth noting is that change is needed for MNCs to optimize their fit strategies. There is need to optimize the external fit of the foreign subsidiary to the local environment and the parent company to the domestic environment. There is also need to optimize the internal fit between the parent and the foreign subsidiary. Black, Mendenhall and Oddou (1991) noted that flexibility in the work environment is related to aspects of cross-cultural adjustment. Since the nature of the environment dictates the appropriate structure, international environments being dynamic relative to the U.S., more flexible, decentralized, autonomous foreign structures would then be appropriate. Cross-cultural training and expatriation trainings are also positively related to skill development, adjustment and performance. Black and Mendenhall (1990), Tung (1981). In this research, expatriate commitment to stay in the organization will be measured in terms of job satisfaction and Job position.

### **2.7.3 Environmental Factors and Expatriate Failure**

Naumann (1992) noted that all foreign assignments are not created equal, and that dissatisfaction with national environments were known causes of expatriate discomfort. Developing countries in particular seem to be problematic.

## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Overview**

This chapter presents the methodology that was adopted by the study to achieve the planned research objectives. It covers the research design, study area and population, sample and sampling procedures, data collection instruments and procedures. It also covers how the data so collected was analyzed to generate information that is relevant to answering the planned research questions.

#### **3.2 Research Design**

The study employed a quantitative descriptive survey design to study the level of expatriate failure and to establish the individual, work related and environmental factors that cause expatriate failures. The study was limited to Indra Ltd expatriates of Kenyan nationality who are not in managerial or executive positions and have at one time or the other crossed the Kenyan boarder in fulfillment of their assignments in foreign countries.

#### **3.3 Location of Study**

Indra is the leading Spanish Integrated Technology Solutions and Services Company. The Company has its Headquarters and main facilities in Spain but also has presence internationally with 35 subsidiaries around the globe, having managed turnkey projects in over 110 countries. To implement its strategy Indra has created subsidiaries in countries such as the Unites States, China, Portugal, Brazil, Africa to highlight but a few. To support its operations in the Sub-Saharan Africa, the company created a subsidiary in 1995 – Indra Ltd- with its headquarters in Laxcon House, 6<sup>th</sup>

floor, Limuru Road, Nairobi. The subsidiary has won a good number of contracts in Kenya, Uganda, Zimbabwe, Botswana, Angola, Ethiopia, South Africa, Cameroon and Zambia. It also has subsidiaries in Zambia and Zimbabwe. Indra Limited counts on the work of over 70 consultants in Africa having the support of Indra Spain. Therefore, this study was carried out at Indra Ltd headquarters in Nairobi, from where expatriate staff are sent out on assignments or have been on assignments to other countries in the Sub-Saharan Africa. Indra was chosen due to its unique outfit as far as non executive and non management expatriation was concerned. These employee cadres formed the main thrust of this study as fore-outlined.

### **3.4 The Study Population**

The study targeted the current expatriates and took consideration of the population represented by Kenyan natives only. As previously stated in Chapter One, it is important to note that at the time of this study Indra Ltd had a mixed race workforce numbering 82 distributed by their origin as follows: Spain (1), Slovakia (1), Uruguay (1), Romania (1), Malawi (1), Indian (1), Zimbabwe (8) and Kenyans (68).

### **3.5 Sample Size, Sampling Frame and Sampling Technique**

The total population from which the sample could be drawn was the 82 employees at the Africa Regional office in Nairobi both permanent and subcontracted. Thus, the study zeroed on expatriates from Kenya who had been assigned to various stations in Africa. Since some assignments were short term, the study considered any Kenyan staff in the company who had an expatriate assignment. It would be important to note that the best group of staff to give data on what causes expatriate failure would be those who had actually exited. However, as Birdseye & Hill (1995) put it that, the

economic value of the findings to the company is enhanced if the study generates causes from expatriates who are still with the company so that knowing these factors/causes might trigger management's intervention to prohibit failures. Focusing on permanent employees of Kenyan origin at Indra Ltd. in Nairobi Kenya who had, at one time or another, been deployed to work outside the Kenyan boarder by the organization reduced our target population to 44 (all race inclusive). Removing the non-Kenyans left the sampling frame at 40 permanent staff. Since this sample frame is small, all of them were included in the sample. Table 3.1 presents the outcomes of the process towards the final sample of 40 respondents.

**Table 3.1: Analysis of Staff Population at Indra Ltd, Nairobi Kenya**

<b>Description</b>	<b>Foreigners</b>	<b>Kenyans</b>	<b>Total</b>
Total Number of Permanent and Subcontracted Employees in the organization	14	68	82
Total Number of Permanent employees with outside border experience (all race inclusive)	4	40	44
Total Number of permanent employees without outside the boarder experience (All race inclusive)	1	25	26
Total Number of Subcontracted employees (all race inclusive)	9	3	12

Source: Researcher 2012

### **3.6 Research Instrument Design and its Administration**

#### **3.6.1 Research Instrument Design**

The research instrument was a questionnaire. The questionnaires were designed to contain closed ended questions but also designed in a way that personal data would be captured without divulging the originator. This way anonymity was guaranteed and it enhanced response rate. To measure level of expatriate failure, the study relied on the respondents' opinion on whether they ever felt the desire to leave the job, the location

or the organization in recent years when they were on an expatriate assignment. This was captured using a five point Likert scale in which respondents indicated whether they strongly disagreed (1), disagreed (2), were neutral (3), agreed (4) or strongly agreed (5) to intention to leave statements. To collect data on factors that influence expatriate failure, in the same fashion, the questionnaire contained constructs under the factor categories i.e. individual factors, work related factors and environmental factor categories.

### **3.6.2 Research Instrument Administration Procedures**

The research instrument was sent out specifically to the current and previous expatriates through the administration of the questionnaires via emails. The questionnaires were returned to the researcher via their anonymous emails, or hard copies, where questionnaires were printed, filled and posted back to the researcher in a sealed envelope. This was a measure to ensure that the participants do not feel the risks associated with victimization and also increase the credibility of the answers given to produce reliable results. Some of the questionnaires were interviewer – administered to those currently based at the headquarters, while others were administered by phone to those expatriates who felt more comfortable being interviewed by the researcher without seeing each other. The researcher’s personal experience in the organization proved very useful and productive.

## **3.7 Data Processing and Analysis**

### **3.7.1 Data preparation and Processing**

Data processing involved a number of processes before analysis was carried out. The questionnaires were checked for errors, completeness and consistency in the data

provided. All questions and statements were nick-named and coded, after which the data was entered into a Microsoft Excel sheet. This was later exported into SPSS data sheet. AGE with four age categories was revised into AGE2 with only two categories to take care of the “Above 50 years” and “41-50 years” categories which had registered none and three cases respectively. Years of service as a proxy for expatriate experience – EXPERIENCE – with four categories was also revised into EXPERIENCE2 with only three categories by merging categories 7-10 years (1 case) and 11+ years (3 cases) into one category of 7+ with 4 cases. Since the study wanted to establish from respondents the factors which they considered to influence expatriate failure, the ratings to Questions 5(b, c, d) and 7 (b) were reverse coded into new variables so that 1 stands for “does not”, 2 for “low”, 3 for “moderate”, and 4 for “high”. This was important because the study intended to use mean scores of each item across respondents to rank the items in order to identify those with highest mean scores. The higher the mean score the higher the importance of the item within its category. For similar reasons, the ratings to Questions 6 (b) and 6 (c) were reverse coded where 1 stood for “strongly disagree” 2 for “disagree”, 3 for “somehow disagree” 4 for “agree” and 5 for “strongly agree”.

### **3.7.2 Data Analysis**

Subsequently, the data was subjected to analysis according to the research objectives. Techniques used included descriptive statistics for objectives one to four. Analysis of Variance (ANOVA) was also used in objective One to compare intention to leave scores across various demographic categories (objective One), and correlation technique was also used to determine whether the expatriate failure was related to



individual factors, work related factors and by environmental factors. All these were carried out with the help of the SPSS software.

## CHAPTER FOUR

### 4.0 FINDINGS AND DISCUSSION

#### 4.1 Overview

This chapter presents and discusses the findings of the study. It is organized as follows. Section 4.2 presents sample description. Section 4.3 presents the findings per research objectives, and section 4.4 discusses these findings.

#### 4.2 Sample Description

Out of the 40 administered questionnaires, 28 questionnaires were dully filled and returned hence representing 70% response rate. According to Mugenda and Mugenda (1999), a 50% response rate is adequate, 60% good, and above 70% rated very good. This implies that based on this assertion; the response rate in this case of 70% was very good.

**Table 4.1 Sample Description**

	N	%
<i>Gender</i>		
Male	21	75.0
Female	7	25.0
<i>Age2</i>		
20-30 years	16	57.1
31+ years	12	42.9
<i>Experience2</i>		
0-2 years	7	25.0
3-6 years	17	60.7
7+ years	4	14.3

Source: Field Data (2012)

Table 4.1 shows that there were 21 (75%) male and 7 (25%) female expatriates respectively. Sixteen (57.1%) of them were aged from 20 to 30 years while 12

(42.9%) were aged 31 and above years. The fact that in the total sample very few were in the 41 – 50 category with none in the above 50 years age category indicates that expatriates at Indra are relatively young and middle aged. This has an implication on their willingness to take up a foreign assignment and they could also be sensitive to the working environment there in.

### **4.3 Findings**

#### **4.3.1 Research Objective One: The level of Intention to Leave**

To fulfill the first objective which was to assess the level of expatriate failure at Indra Ltd, different analyses were carried out. First mean intention to leave scale (MITL) was used to assess the overall intention to leave as a proxy for expatriate failure. Then each of the three items of the scale were assessed separately to show which one has a higher mean score across cases. Then the mean scores of the total scale (MITL) were compares across age, gender, and experience categories using one-way analysis of variance (ANOVA) techniques. Table 4.2 presents the results. The results show that the mean score of the mean intention to leave is 2.80 (S.D. = 0.3). The mean scores of the individual items of the scale indicates that expatriates were more likely to fail by leaving the job compared to leaving the organization or the location. This may imply that expatriate failure may have been due to alternative engagement in the foreign country where they were posted.

However, a comparison test using ANOVA revealed no statistically significant differences amongst these mean scores ( $F(2) = 0.576$ ;  $p > 0.05$ ). Disaggregating and comparing the means of the mean intention to leave scale across the individual variables like age, gender and experience reveal no evidence of significant differences total intention to leave scores across such groups.

**Table 4.2 Intention to Leave**

		<b>Mean</b>	<b>S.D.</b>	<b>F</b>	<b>P-value</b>
Total intention to leave (MITL) scale	27	2.80	0.83		
Leaving the Job	27	2.93	.874	0.576	0.565
Location of Job	28	2.64	1.162		
Quitting the organization	27	2.80	1.011		
<i>Age</i>					
20-30 years	15	8.467	2.39	0.018	0.894
31 and above	12	8.333	2.74		
<i>Gender</i>					
Male	20	8.300	2.77	0.138	0.714
Female	7	8.714	1.61		
<i>Experience</i>					
0-2 years	6	8.500	3.08	0.146	0.865
3-6	17	8.24	2.36		
7 + years	4	9.00	2.83		

Source Field Data (2012)

#### **4.3.2 Research Objective Two: Individual factors and Expatriate Failure**

Respondents were asked to indicate whether they think that individual factors do contribute to expatriate failure. All but one (=96.4%) responded affirmatively. Then the respondents were asked to rank individual factors in three different groups – namely, demographic characteristics (age, education, marital status, and time overseas), life quality (life autonomy and life satisfaction) and family situation (children, spouse adjustments, and spouse satisfaction). Table 4.3 presents the findings.

**Table 4.3 Mean Score for Individual Factors**

	N	Mean	S.D.
<i>Demographics:</i>			
Age of Respondent (Rev'd)	28	2.29	1.117
Education of Respondent (Rev'd)	28	2.71	1.084
Marital Status of Respondent (Rev'd)	28	2.86	1.145
Respondent's time spent overseas (Rev'd)	28	2.68	1.020
Quality of life indicators			
Quality of Life (Autonomy) (Rev'd)	27	3.15	.770
Quality of Life (Satisfaction) (Rev'd)	28	3.61	.629
<i>Family situation</i>			
Children (Rev'd)	28	3.25	1.110
Spouse adjustments (Rev'd)	28	2.86	1.044
Spouse satisfaction (Rev'd)	28	3.00	1.089
<b>Overall Mean</b>	27	2.95	0.521

Source: Field data (2012)

Results in Table 4.3 indicate that the overall mean score is 2.95. The items which had scored above this mean were expatriates satisfaction with quality of life abroad, children, autonomy, and spouse satisfaction. It can be concluded that these were viewed as the most influential factors for expatriate failure while age, education and spouse adjustments of the expatriates were not. These findings may reflect the fact that majority of the expatriates who participated in the study were young, perhaps not many were married and had about the same level of education.

#### **4.3.3 Research Objective Three: Work Related Factors and Expatriate Failure**

Respondents were asked to indicate whether they think that work related factors do contribute to expatriate failure. All but one (96.4%) responded affirmatively. Then the respondents were asked to rank work related factors in two different groups – namely, Job satisfaction with six items (satisfaction with salary and allowances, satisfaction with the relationship with supervisor, satisfactions with job duties and tasks,

satisfaction with the relationship with co workers, satisfaction with workload, and satisfaction with opportunities for career advancements), and job autonomy with four items (exercising discretion, participating in decision making, job authority, opportunity for in-depth thinking) on a five point ranking scale where, after reverse coding, 1 stood for strongly disagree, 2 for disagree, 3 for somewhat agree, 4 for agree and 5 for strongly agree. The average of these ratings per item across respondents were computed and compared to the mean of these mean scores as a benchmark where the items with above mean scores are taken to have been identified by the respondents as item considered influential to expatriate failure. Table 4.4 presents the findings.

Starting with the job satisfaction items, the findings show that only three items are ranked above the overall mean of 3.84 ( S.D. = 0.84). These are satisfaction with salary and allowances, satisfaction with opportunities for career advancement and satisfaction with the relationship with supervisor. The item with the smallest mean score was the satisfaction with relationship with co-workers. From the way the questions on the questionnaires were set, the item with the highest mean score, after reverse-coding, implied that respondents agreed that the item is a factor that influenced expatriate failure. On the other hand, the one with smaller mean score is the least influential item. The job autonomy variable had four items. Two items had mean scores higher than the average of 3.53 (S.D. = 0.94). These were participation in decision making and exercising authority on the job. The rest of the items had scores below the overall mean score.

**Table 4.4 Mean Scores on Work related factors**

	<b>N</b>	<b>Mean</b>	<b>S.D.</b>
<b><i>Job satisfaction</i></b>	<b>27</b>	<b>3.84</b>	<b>0.84</b>
Respondents' rating on satisfaction with salary and allowances (Rev'd)	28	4.43	.959
Respondents' rating on satisfaction with relationship with supervisor (Rev'd)	28	3.89	.994
Respondents' rating on satisfaction with job duties and tasks (Rev'd)	27	3.64	1.193
Respondents' rating on satisfaction with relationship with co-workers (Rev'd)	28	3.04	1.091
Respondents' rating on satisfaction with workload (Rev'd)	28	3.50	1.319
Respondents' rating on satisfaction with opportunities for career advancement (Rev'd)	28	4.43	1.069
<b><i>Job autonomy:</i></b>	28	3.53	0.94
Respondents' rating on job autonomy - exercising discretion (Rev'd)	28	3.39	.994
Respondents' rating on job autonomy - participation in decision making (Rev'd)	28	3.71	1.084
Respondents' rating on job autonomy - exercising authority on the job (Rev'd)	28	3.57	.997
Respondents' rating on job autonomy - opportunity for in depth thought (Rev'd)	28	3.43	1.168

Source: Field data (2012)

#### **4.3.4 Research Objective Four: Environmental Factors and Expatriate Failure**

Respondents were first to say whether they think that environmental factors contributed to expatriate failure. All but one (96.4%) responded on the affirmative. They were then asked to rank selected item representing the environmental factors based on a four point scale where, after reverse coding, 1 stood for “does not”, 2 for “low”, 3 for “moderate” and 4 for “high”. Mean scores across respondents on each item were computed and compared to the overall mean. Table 4.5 presents the findings.

**Table 4.5 Environmental Factors**

<b>Environmental factors</b>	<b>N</b>	<b>Mean</b>	<b>S.D.</b>
Respondents' Rating on Standard of Living (Rev'd)	28	3.46	.637
Respondents' Rating on Cost of Living (Rev'd)	28	3.71	.535
Respondents' Rating on Availability of Educational Amenities (Rev'd)	28	2.96	.922
Respondents' Rating on Cultural Trends (Rev'd)	28	2.29	.937
Respondents' Rating on Availability of Goods and Services (Rev'd)	28	2.86	.848
Respondents' Rating on Availability of Medical Facilities (Rev'd)	28	3.14	.932
Overall mean score	28	3.07	0.55

Source: Field data (2012)

The overall mean was 3.07 (S.D. = 0.55). Three items only had a mean score higher than this, implying that they were ranked by the respondents to have, on average, more influence on expatriate failure. Cost of living, standard of living and availability of medical facilities were ranked by the respondents to have high influence on expatriate failure.

#### **4.3.5 Correlation Tests**

The researcher wants to find out if the mean scores of intention to leave (proxy for expatriate failure) – MITL, was correlated with the mean ratings for individual factors (MINDIV), work factors (MWF) and environmental factors (MEF). Pearson correlation was used because the mean scores can be taken as scale measure as opposed to the actual scores which were ordinal measures. Results are presented in Table 4.6.



**Table 4.6 Correlation Matrix**

	<b>N</b>	<b>Mean</b>	<b>S.D</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. MITL	27	2.80	0.83					
2. MINDIV	26	2.95	0.52	0.213 (0.297)				
3. MJSAT	26	3.84	0.84	0.321 (0.109)	-0.032 (0.899)			
4. MJAUTO	27	3.53	0.94	0.307 (0.118)	0.184 (0.358)	0.501 (0.008)		
5. MWF	26	3.71	0.77	0.36 (0.071)	0.071 (0.724)	0.902 (0.000)	0.826 (0.000)	
6. MEF	27	3.07	0.55	0.194 (0.331)	0.122 (0.545)	0.515 (0.006)	0.639 (0.000)	0.656 (0.000)

Source: Field Data (2012)

The results indicate no significant correlation between mean intention to leave scores and mean scores of individual factors, work factors – whether in total or separately in job satisfaction or job autonomy, and environmental factors. However, mean scores for job satisfaction was statistically significantly positively correlated with mean scores on environmental factors and so is job autonomy with environmental factors and work factors and environmental factors. These results are not surprising because it is hard to separate work factors and environmental factor. The two are naturally interconnected.

#### **4.7 Discussion of the Results**

The study found that Kenyan expatriates experiences failures and proxied by intention to leave and that this failure is there irrespective of age, gender and work experience. The study finds that of the individual factors, satisfaction with quality of life abroad, children, autonomy, and spouse satisfaction were the most influential factors while age, education and spouse adjustments of the expatriates were not. These findings may reflect the fact that majority of the expatriates who participated in the study were

young, perhaps not many were married and had about the same level of education. The study also finds that of the work factors examined, satisfaction with salary and allowances, satisfaction with opportunities for career advancement and satisfaction with the relationship with supervisor were the most influential factors. Also participation in decision making and exercising authority on the job were found to be the most influential factors in their job autonomy category.

Of the environmental factors cost of living, standard of living and availability of medical facilities were ranked by the respondents to have high influence on expatriate's failure. Finally although the results also indicate no significant correlation between mean intention to leave scores and mean scores of individual factors, work factors – whether in total or separately in job satisfaction or job autonomy, and environmental factors, the mean scores for job satisfaction was statistically significantly positively correlated with mean scores on environmental factors and so is job autonomy with environmental factors and work factors and environmental factors. These results are not surprising because it is hard to separate work factors and environmental factor. The two are naturally interconnected.

## CHAPTER FIVE

### 5.0 CONCLUSION AND RECOMMENDATION

#### 5.1 Overview

This assessed the individual, work and environmental factors contributing to expatriate failure. It was motivated by the fact that most literature on expatriate failure is biased towards the western and Western economies and little is known about expatriate failure in the African content. This is perhaps due to the fact that the African continent has always been thought of a recipient of expatriate rather than a source. So the presence of Indra Ltd. in Kenya with a significant number of Kenyan expatriate working in other African countries, presented an alternative avenue for looking at expatriate failure. The study drew a sample of 40 Kenyan expatriate from the company and out of the questionnaires sent to them 28 usefully filled ones were used in the analysis.

The questionnaire asked the respondents to rank the identified range of factors according to the extent to which they think each contributed to expatriate failure as proxied by intention to leave their job, the job location or the organization. Descriptive statistics were used to determine those that have on average been ranked high as the most important influential factors. The mean scores on intention to leave were then correlated with individual factors, work factors and environmental factors. This chapter presents a summary of the key findings and draws conclusions and provides recommendations.

## **5.2 Summary of Key Findings**

The study found that Kenyan expatriates experiences failures and proxied by intention to leave and that this failure is there irrespective of age, gender and work experience. The study finds that of the individual factors, satisfaction with quality of life abroad, children, autonomy, and spouse satisfaction were the most influential factors while age, education and spouse adjustments of the expatriates were not. These findings may reflect the fact that majority of the expatriate who participated in the study were young, perhaps not many were married and had about the same level of education. The study also finds that of the work factors examined, satisfaction with salary and allowances, satisfaction with opportunities for career advancement and satisfaction with the relationship with supervisor were the most influential factors. Also participation in decision making and exercising authority on the job were found to be the most influential factors in their job autonomy category.

Of the environmental factors cost of living, standard of living and availability of medical facilities were ranked by the respondents to have high influence on expatriate's failure. Finally although the results also indicate no significant correlation between mean intention to leave scores and mean scores of individual factors, work factors – whether in total or separately in job satisfaction or job autonomy, and environmental factors, the mean scores for job satisfaction was statistically significantly positively correlated with mean scores on environmental factors and so is job autonomy with environmental factors and work factors and environmental factors. These results are not surprising because it is hard to separate work factors and environmental factor. The two are naturally interconnected.

### **5.3 Conclusion**

It was concluded that African expatriates are likely to leave the location of the job and quit the organization than to leave the job and that the factors that contribute to these phenomenon are also responsible for it in African expatriates.

### **5.4 Recommendations**

It is recommended that in order for Indra Ltd. to achieve expatriate success efforts should be directed towards the following areas

- (a) Preparation of expatriates in way that would help them cope with the quality of life abroad to minimize the difference there may be compared with that of home country, provide support for children as well as having in place a programme that would enhance satisfaction of their spouses.
- (b) Work out compensation packages and opportunities for career advancement while on job assignment abroad should also be provided so that expatriates do not feel in any way disadvantaged compared with their colleagues who remain behind. Equally important is to have a training programmes for both expatriate and supervisors which would enhance supervisor and supervisee relationship wherever they are posted.
- (c) Also training and development to equip the expatriates with skills and competencies in decision making and control is important so as to make them confident in taking decision alone without the fear of something going wrong. This way, participation of decision making becomes an incentive rather than a source of fear.
- (d) Indra should also have a compensation scheme which is friendly to the expatriates so that they can feel able to cope with the cost of living abroad. But

equally important is to have medical facilities – e.g. a properly structure medical insurance to help the expatriate access medical services whenever needed. This will enhance their confidence which will in turn contribute to increasing their level of commitment to the job and the organization.

### **5.5 Limitations and Areas for Further Studies**

The study was limited in a number of ways. First and foremost was the study population which in turn limited the sample given the inclusion criteria used i.e. being a Kenyan expatriate who is or had been on an assignment abroad. This limitation has had an implication of the kind of quantitative evaluation of expatriate failure the study could use. It is therefore suggested that future studies could enlarge the sample by including various companies matched in some criteria. As more and more companies are opening operations beyond boarder studying this phenomenon in Africa is becoming more and more possible.

Design of the research instruments was also a limitation as it relied on the assessment of the respondents to tell whether a given factor is influential on expatriate failure. In future research, expatriate failure and perceptions of the respondents about some selected factors could be assessed independently and then they are correlated and even regressed – expatriate failure measures on individual factors ‘measures.

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## APPENDICES

### Appendix 1: Questionnaire

Dear respondent,

First of all I wish to thank you very much for agreeing to respond to this questionnaire. I am a student in the Master of Human Resource Management (MHRM) jointly offered by the Institute of Human Resource Management (IHRM) Nairobi, Kenya and The Open University of Tanzania (OUT). In fulfilling the requirements of the award, I am required to research, produce and submit, a dissertation based on an issue of managerial relevance. For this I have chosen to look into causes of expatriate failure work organization. Indra having International operations in the Sub- Saharan Region and having experienced several episodes of expatriate failure was chosen as my case study. The specific research objectives include to measure the level of expatriate failure at Indra Ltd and to determine whether some of the known Individual factors, work related as well as environmental factors can explain the observed expatriate failure at Indra Ltd. The data you are required to provide through this questionnaire will be used for the purpose of writing the academic dissertation report and no other use. No information you provide will be traceable to you and your identity will remain confidential.

Please read the questions carefully before making any entries. In case you meet any difficulties then you can contact the designer of the questionnaire through mobile number 0723146978 or email address [doachieng@indracompany.com](mailto:doachieng@indracompany.com)

#### Section A: Background information

1. Gender:

(1) Male [ ]                      (2) Female [ ]

2. Age Bracket

(1) 20-30 [ ]      (2) 31-40 [ ]      (3) 41-50 [ ]      (4) 50 and above [ ]

3. Years in service:

(1) 0-2 [ ]      (2) 3-6 [ ]      (3) 7-10 [ ]      (4) 11 and above [ ]

**Section B: Factors influencing expatriate failure/ Intent to leave and their extent to cause expatriate failure/ intent to leave**

4a. Do thoughts with the intention to leave your Job, location of the job or Organization cross your mind?

(1) Yes [ ]      (2) No [ ]

4b. Using a scale of 1-5, please tick the extent of your thoughts on the below statements; intention for Internal turnover (leaving the job, leaving the location of the job) and External turnover (quitting the organization).

**Where; 1= NEVER , 2= RARELY, 3 = SOMETIMES,**

**4 = OFTEN and 5 = ALWAYS**

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I think about leaving the Job					
I think about leaving the location of the Job					
I think about quitting the organization					

**SECTION C: To determine whether individual factors such as demographics, quality of life and family contribute to expatriate failure.**

5a. Does Individual factors contribute to expatriate failure.

(1) Yes [ ]

(2) No [ ]

5b. Using a scale of 1-4, kindly tick the extent of Individual factor (**Demographics**) on expatriate failure. Where; **1=HIGH, 2=MODERATE, 3=LOW and 4=DOES NOT**

<b>Demographics</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Age				
Education				
Marital Status				
Time Overseas				

5c. Using a scale of 1-4, kindly tick the extent of Individual factor (**Life Quality**) on expatriate failure. Where; **1=HIGH, 2=MODERATE, 3=LOW and 4=DOES NOT**

<b>Life Quality</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Life Autonomy				
Life Satisfaction				

5d. Using a scale of 1-4, kindly tick the extent of Individual factor (**Family**) on expatriate failure. Where; **1=HIGH, 2=MODERATE, 3=LOW and 4=DOES NOT**

<b>Family</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Children				
Spouse adjustments				
Spouse satisfaction				

**Section D: To determine whether work factors such as job satisfaction and job autonomy cause expatriate failure.**

6a. Do work factors influence expatriate failure in the organization?

(1) Yes [ ] (2). No [ ]

6b. Using a scale of 1-5, to what extent do you agree that work factor (**Job satisfaction**) influence expatriate failure? Where **1=Strongly Agree, 2=Agree, 3=Somehow Agree 4=Disagree and 5= Strongly Disagree.**

<b>Job satisfaction</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Salary (Allowances)					
Supervisor relationship					
Job duties and tasks					
Coworker relationships					
Workload					
Career Advancement					

6c. Using a scale of 1-5, to what extent do you agree that work factor (**Job Autonomy**) influence expatriate failure? Where **1=Strongly Agree, 2=Agree, 3=Somehow Agree 4=Disagree and 5= Strongly Disagree.**

<b>Job Autonomy</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Discretion					

Decision making participation					
Job authority					
Opportunity for in-depth thought					

**Section E: To determine whether environmental factors cause expatriate failure**

7a. Does environmental factors influence expatriate failure in the organization?

(1). Yes [  ]

(2). No [  ]

7b. Using a scale of 1-4, kindly tick the extent of the effect of environmental factors on expatriate failure. Where; **1=HIGH, 2=MODERATE, 3=LOW and 4=DOES NOT**

<b>Environmental factors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Standard of living				
Cost of living				
Educational Amenities				
Cultural trends				
Availability of goods and services				
Medical facilities				

Signature \_\_\_\_\_ Date \_\_\_\_\_

**Thank you for your participation**