

# Globetrotting\_GlaxoSmithKline helps executive expats

Case duration (Min): **45-60**

Human Resource Management (HRM)

**International HRM and the Global Economy**

**Motivation and Performance Management**

**Worldwide**

## Case summary:

Students should first explore what expats are and why they are used in international organizations. They should recognise that the duration of assignment typically differentiates the expat from the transpat or manager engaged with a short international assignment. The expat tends to spend 1-3 years living in another country, occupying a role within the overseas organization.

Challenges facing expatriates and their employers. The need for expats and methods to select them for overseas assignments along with company initiatives to support them are considered.

## Learning objectives:

Explain the need to carefully manage expatriates (the importance of support)  
Identify and describe what an organization can do to support expatriates

## Case problem:

How and why might organizations support and manage employees operating in different countries (expatriates, consultants and other employees on assignment)?

Drug Manufacturers - Major

**Company**

GlaxoSmithKline

<http://www.gsk.com>

a research-based pharmaceutical company that employs around 100,000 people in over 100 countries - Headquartered in the UK and with operations based in the US, GSK are one of the industry leaders, with an estimated seven per cent of the world's pharmaceutical market.

First, if you are taking a taught management course then consult with your tutor and ensure that the case has not been scheduled into a teaching class or tutorial. If it has not:

1. Play/ read the media associated with the case. You may need to access the Internet and enter a URL to locate any video clips.
2. Attempt the Case study questions.

Consider attempting the case study as a group exercise; you could form a study group with fellow students.

3. Check the suggested answers - remember these are suggestions only and there are often many possible answers.

Discuss questions and answers with other students.

4. If you feel your answer(s) were weak then consider reading the relevant suggested readings again (also see the case study suggested references).

## Title/ Media type

## URL/ Media description

Globetrotting—GlaxoSmithKline helps executive expats

[http://feedroom.businessweek.com/?fr\\_story=9ed06a38e9b6b5ce3dbc0b8fb4677c0901b51462&rf=bm](http://feedroom.businessweek.com/?fr_story=9ed06a38e9b6b5ce3dbc0b8fb4677c0901b51462&rf=bm)

### Film

Steve Nechelput talks about how GSK eased his family's relocation to as they moved from Britain to Mexico City and then to the U.S., and from there to Singapore

This telephone interview with a GSK employee (Steve) explores the employee opportunities associated with 'Globetrotting' (overseas assignments), challenges and company supporting initiatives for expatriates. Aside from an adventure, the employee gains the experience of working in new and different cultures and improved career prospects. Both the employee and employer face challenges in preparing the employee for such assignments and helping them throughout and repatriate. Company support may come in the form of financial assistance (accommodation, schools, living costs and return trips home), language and educational support.

### NOTES:

## Case study questions...

Action		Pre/During/After class
<b>1</b>	<b>THE NEED FOR EXPATRIATES</b> Discuss why the organization may demand expatriates.	During
<b>2</b>	<b>THE HR ROLE IN MANAGING EXPATS</b> Lack of preparation generally has been associated with a higher expatriate failure rate, (Schuler, Budhwar, and Florkowski 2002:51). One of the most challenging tasks for any company operating internationally is to manage its expatriates. The statistics showing their efficiency on that matter are not encouraging, (Treven 2006). Identify and discuss potential problems and what the organization may do in order to reduce the risk of expat failure and support them in their work.	During
<b>3</b>	<b>SELECTING AND PREPARING EXPATRIATES FOR ASSIGNMENT</b> Key areas to explore when selecting and preparing expatriates for assignment - what traits, skills, abilities or knowledge may be desirable in managers about to take an overseas (expat) assignment?	During
<b>4</b>	<b>REPATRIATION</b> The process of returning home at the end of an overseas assignment is termed Repatriation. It is important to manage the repatriation process well if the experience is to benefit the employee and employer. Various studies found that employees who have completed an overseas assignment leave their company (often to join a competitor) soon after their return. Discuss the consequences of poor repatriation, causes of employee turnover upon return from international assignments and the measures organizations may take to assure employees are properly repatriated.	During

# Answers...

## EXPATRIATE

A citizen of one country working in another country

## EXPATRIATE FAILURE

The premature return of an expatriate manager to the home country

## EXPATRIATE MANAGER

A national of one country appointed to a management position in another country

## EXPATRIATES

Individuals who reside abroad but are citizens of the parent country of the multinational; they are citizens of the home, not the host country

## REPATRIATION

The process of returning home at the end of an overseas assignment

## TRANSPATRIATES

Individuals who operate globally rather than in specific local cultures

## CULTURAL ADAPTATION

The process whereby one's worldview is expanded to include behaviour and values appropriate to the host culture (additive).

## CULTURAL DISTANCE

Cultural distance aims to capture the overall difference in national culture between the home-country and affiliates overseas. As the cultural distance increases, the difficulties facing business processes overseas also increase.

## Question/ Answer

### 1 The need for expatriates

Discuss why the organization may demand expatriates.

When a new plant or office is established in a foreign location and the need for expatriate employees arises - Expatriates were often used to control local operations. Traditionally MNEs have sent expatriates abroad to ensure that the policies and procedures of the home office were being carried out to the letter in foreign operations.

### 2 The HR Role in managing expats

Lack of preparation generally has been associated with a higher expatriate failure rate, (Schuler, Budhwar, and Florkowski 2002:51). One of the most challenging tasks for any company operating internationally is to manage its expatriates. The statistics showing their efficiency on that matter are not encouraging, (Treven 2006). Identify and discuss potential problems and what the organization may do in order to reduce the risk of expat failure and support them in their work.

The organization may help with matters such as: relocation, managing cultural/ orientation training, remuneration and payroll administration. They may take a role in supporting expatriate adjustment, international managers working overseas and on-assignment performance generally. At the international level, HR development professionals may be responsible for: 1. training and development of employees located in subsidiaries around the world, 2. specialized training to prepare expatriates for assignments abroad, and 3. development of a special group of globally minded managers, (Treven 2006). Preparing managers for work overseas remains a critical feature of international HRM. Typically the literature discusses expatriates as overseas workers though consideration is also given to the "international manager" as a manager who is sent on an international assignment which may vary in length, and the transpatriates - individuals who operate globally rather than in specific local cultures. Expatriates need an understanding of the host culture and require skills that will enable them to choose the "right" combination of verbal and non-verbal behaviours to achieve a smooth and harmonious relationship with their hosts in the foreign culture. Typically they require skills, such as adaptation, cross-cultural communication, and partnership, work transition, stress-management, relationship building, and negotiation techniques

The main elements of international assignments including: resourcing, preparation, terms and conditions, remuneration, dual career problems and repatriation. International assignments incur substantial direct costs for the employer related to the relocation of the employee (and family), the provision of remuneration packages whilst abroad, repatriation costs and the recruitment and relocation of a replacement if required. Typical problems include culture shock/ conflict, using international assignments as a means to shift problem employees and family problems. The need to select and train employees for overseas assignments has long been recognised, see for example Tung (1981) cited in Treven (2006). Many expatriates experience difficulty in fully acculturating; only adopting the values and behaviours they find appropriate and acceptable to their existing cultures. It is a question of willingness and readiness, (Zakaria 2000). Expatriates typically experience a new culture which is unfamiliar and strange. In the initial stage of confrontation with the new culture, the user experiences a culture shock. Then full or partial acculturation takes place, depending on factors such as former experience, length of stay, cultural distance between home and new culture, training and language competency amongst other factors. The greater the users' ability to acculturate, the less the impact of culture shock on them. The ability to acculturate and reduce the impact of the culture shock can be developed through an appropriate and effective cross-cultural training. Apart from that, training can also help the users to develop intercultural communication competence, which is needed to adapt better and perform well in the new environment, (Zakaria 2000)

### 3 Selecting and preparing expatriates for assignment

Key areas to explore when selecting and preparing expatriates for assignment - what traits, skills, abilities or knowledge may be desirable in managers about to take an overseas (expat) assignment?

Couzens (2004) identifies several key areas to explore when selecting and preparing expatriates for assignment: adaptiveness, listening skills, empathy, respect for others, self-management, self-awareness, time management, and political awareness; Self-awareness is key. Zakaria (2000) suggest an expatriate must be able to incorporate values, such as open-mindedness, high self-concept, non-judgmental attitudes, and social relaxation, in order to understand the value of different cultures and become sensitive to the verbal and non-verbal cues of people from the foreign culture. With respect to intercultural communication competence, people learn how to act effectively when in contact with the new cultural environment. When they know what to do and what not to do, they will be able to communicate effectively without offending any parties.

## CULTURAL INTELLIGENCE

Cultural intelligence reflects a person's capability to adapt as they interact with others from different cultural regions. An individual with a high level of cultural intelligence has: the cognitive skills that allow them to function effectively in a new culture; the motivational impetus to adapt to a different cultural environment and the ability to engage in adaptive behaviours.

## CULTURAL LITERACY

Knowledge about a culture that enables a person to function effectively within it

## 4 Repatriation

The process of returning home at the end of an overseas assignment is termed Repatriation. It is important to manage the repatriation process well if the experience is to benefit the employee and employer. Various studies found that employees who have completed an overseas assignment leave their company (often to join a competitor) soon after their return. Discuss the consequences of poor repatriation, causes of employee turnover upon return from international assignments and the measures organizations may take to assure employees are properly repatriated.

**A high rate of turnover impacts negatively on corporate effectiveness and efficiency by costing organizations in terms of losing a manager with valuable overseas experiences. This problem is exacerbated when both senior and high performing employees are specially selected for such assignments. Causes of employee turnover upon return from international assignments include: financial shock, psychological shock, lack of repatriation training, lack of career development, lack of positive corporate values related to the importance of an overseas assignment in the organization, and perceived impact of corporate turbulence on being able to place repatriates. Employees on international assignment often have greater autonomy and authority than similar domestic positions; they enjoy greater rewards and enjoy a high quality of life in the international assignment. Various surveys have revealed that many employees felt the return to the home office was not handled well and the repatriation process could have been handled much better. Repatriation training can help the person to set expectations about social and cultural readjustment challenges and thus reduced the re-entry culture shock. Organizations should consider progression and career planning with the repatriated employee, finding ways to utilize their knowledge and expertise upon their return. Not only does this make sense for the employer but will motivate the employee, raising esteem through recognition for the assignment.**

## Case study references

Cole, G A. and Kelly, P P. (2011) 'Management Theory and Practice', Ed. 7. Cengage EMEA.

Couzins, M. (2004) 'EXPERT'S VIEW: SUSAN BLOCH ON PREPARING FOR AN OVERSEAS ASSIGNMENT', Personnel Today, 5/11/2004, p. 29 - 29.

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Schuler, R., Budhwar, P. and Florkowski, G. (2002) 'International Human Resource Management: Review and Critique', International Journal of Management Reviews, Mar2002, Vol. 4 Issue 1, p. 41 - 71.

Treven, S. (2006) 'Human Resources Management in the Global Environment', Journal of American Academy of Business, Mar2006, Vol. 8 Issue 1, p. 120 - 125.

Zakaria, N. (2000) 'The effects of cross-cultural training on the acculturation process of the global workforce', International Journal of Manpower, Volume 21 Number 6, p. 492 - 510.