REASON OF SUCCESS OF EXPATRIATION OF UAE CONSTRUCTION COMPANY MANAGERS

P. Lija 1  
M. C. Shibin Tad 2  
D. Sahaya Beula 3  
Auslien Nanci J. R. 4

ABSTRACT

Objective: The study aims to identify the factors contributing to expatriate success in a Construction Company located in the United Arab Emirates (UAE). It recognizes the pivotal role expatriate work plays in multinational corporations (MNCs) and the challenges faced by expatriates, such as language and cultural differences.

Theoretical Framework: The research builds on the understanding of expatriation, acknowledging its crucial role in global business operations, human resources development, and the challenges faced during international assignments. It accentuates the importance of various factors such as selection processes, adjustment, support, emotional intelligence, training, and compensation in ensuring expatriate success.

Method: The research employs a methodology involving questionnaires and opinion surveys to collect primary data from managers in a Construction Company. Data analysis is carried out using statistical tools such as mean, standard deviation, and analysis of variance (ANOVA).

Results and Conclusion: The study establishes a significant relationship between the demographic profiles of expatriates and factors contributing to their success. It underscores the importance of appropriate selection, adjustment, support, emotional intelligence, training, and compensation in ensuring expatriate effectiveness.

Implications of the research: The study holds relevance for both managerial and academic domains. It underscores the need for effective strategies and policies, highlighting the importance of various factors in managing expatriates. Academically, it contributes to the body of knowledge in the field of expatriation and provides valuable insights into the determinants of expatriate success.

Originality/Value: This research makes a unique contribution by investigating the factors contributing to expatriate success in a specific context: a Construction Company in the UAE. It provides a comprehensive understanding of expatriate challenges and emphasizes the significance of various factors in facilitating expatriate success.

Keywords: Expatriation, Expatriate Success, Selection Processes, Adjustment, Support, Emotional Intelligence, Training.

1 Faculty of Management Studies, Noorul Islam Centre for Higher Education, Kumaracoil, Tamil Nadu, India. E-mail: lijaiohn.mba@gmail.com Orcid: https://orcid.org/0000-0002-4165-4903
2 Faculty of Management Studies, Noorul Islam Centre for Higher Education, Kumaracoil, Tamil Nadu, India. E-mail: shibintad@gmail.com Orcid: https://orcid.org/0000-0001-5835-6489
3 Department of Business Administration, St. Jerome's College of Arts & Science, Anandhanadarkudy, Tamil Nadu, India. E-mail: beulawrance@gmail.com Orcid: https://orcid.org/0000-0001-9394-7735
4 Department of Business Administration, St. Jerome's College of Arts & Science, Anandhanadarkudy, Tamil Nadu, India. E-mail: nanciauslien@gmail.com Orcid: https://orcid.org/0000-0002-7375-0457
RAZÃO DO SUCESSO DA EXPATRIAÇÃO DE GERENTES DE EMPRESAS DE CONSTRUÇÃO DOS EUA

RESUMO

Objetivo: O estudo visa a identificar os fatores que contribuem para o sucesso da expatriação em uma empresa de construção localizada nos Emirados Árabes Unidos (EAU). Ele reconhece o papel fundamental que o trabalho dos expatriados desempenha nas corporações multinacionais (MNCs) e os desafios enfrentados pelos expatriados, como diferenças culturais e de idioma.

Estrutura teórica: A pesquisa se baseia no entendimento da expatriação, reconhecendo seu papel crucial nas operações comerciais globais, no desenvolvimento de recursos humanos e nos desafios enfrentados durante as atribuições internacionais. Ela acentua a importância de vários fatores, como processos de seleção, ajuste, suporte, inteligência emocional, treinamento e remuneração para garantir o sucesso do expatriado.

Método: A pesquisa emprega uma metodologia que envolve questionários e pesquisas de opinião para coletar dados primários de gerentes de uma empresa de construção. A análise dos dados é realizada por meio de ferramentas estatísticas, como média, desvio padrão e análise de variância (ANOVA).

Resultados e conclusões: O estudo estabelece uma relação significativa entre os perfis demográficos dos expatriados e os fatores que contribuem para seu sucesso. Ele ressalta a importância da seleção adequada, do ajuste, do apoio, da inteligência emocional, do treinamento e da remuneração para garantir a eficácia do expatriado.

Implicações da pesquisa: O estudo é relevante para os domínios gerencial e acadêmico. Ele ressalta a necessidade de estratégias e políticas eficazes, destacando a importância de vários fatores no gerenciamento de expatriados. Do ponto de vista acadêmico, contribui para o conjunto de conhecimentos no campo da expatriação e oferece percepções valiosas sobre os determinantes do sucesso dos expatriados.

Originalidade/valor: Esta pesquisa faz uma contribuição única ao investigar os fatores que contribuem para o sucesso do expatriado em um contexto específico: uma empresa de construção nos Emirados Árabes Unidos. Ela fornece uma compreensão abrangente dos desafios dos expatriados e enfatiza a importância de vários fatores para facilitar o sucesso dos expatriados.


RGSA adota a Licença de Atribuição CC BY do Creative Commons (https://creativecommons.org/licenses/by/4.0/).

1 INTRODUCTION

The phenomenon of expatriation has emerged as an indispensable facet of global business, particularly within the context of Multi-National Corporations (MNCs). As these organizations strive to meet the demands of a rapidly globalizing world, expatriates – professionals assigned to work in foreign countries – have come to represent an essential asset (Osman-Gani and Tan, 2005). Their unique blend of skills, knowledge, and cultural adaptability allow them to bridge the gaps between the home organization and its overseas branches, thus contributing to global synergies (Richardson et al, 2002).

Despite the apparent advantages of expatriate employment, it is not without its challenges. Relocation to an entirely different cultural, social, and regulatory environment can pose several difficulties for expatriates, and these difficulties can in turn have a profound impact on their effectiveness (Black and Gregersen, 1991). Language barriers, cultural differences, and unfamiliar customs are just a few of the obstacles that expatriates might face in their new environment.
The complexity of these issues is further heightened in the context of a country like the United Arab Emirates (UAE), which is rapidly becoming a hub for international trade and business. With an expanding industrial sector and increasingly globalized ventures, the UAE presents an attractive but equally challenging destination for expatriates. This necessitates a comprehensive understanding of the factors that contribute to expatriate success within this specific environment.

Moreover, the current literature on expatriation has primarily focused on generalized outcomes, with limited study dedicated to specific countries or industries. This creates a knowledge gap, especially in understanding the specific dynamics of expatriate success in a construction company within the UAE. Addressing this gap not only holds theoretical implications for the field of expatriate studies, but also practical implications for multinational companies operating in similar contexts.

Therefore, this study aims to explore and identify the factors that contribute to the success of expatriates within a construction company in the UAE. The objective is to enrich the current understanding of expatriate challenges and emphasize the role of various factors such as selection processes, adjustment, support, emotional intelligence, training, and compensation in facilitating expatriate success. This will provide valuable insights for both practitioners and academics interested in the field of expatriate management.

Despite the recognized importance of expatriation in Multi-National Corporation (MNC) structures and the potential for skilled professionals to contribute to the globalization efforts of these organizations, the success of such assignments often encounters several obstacles. Challenges such as cultural differences, language barriers, personal adjustment issues, and suboptimal support from headquarters have led to truncated assignments, expatriate dissatisfaction, and at times, premature returns. These adverse outcomes not only bear heavy costs for the MNCs but also exert emotional strains on the expatriates and their families. Furthermore, the situation in the United Arab Emirates, a rapidly industrializing nation with a significant influx of expatriates, underscores the urgency of addressing these issues. This research, therefore, seeks to identify the factors contributing to the success of expatriation, with a focus on expatriate managers in the UAE construction industry. The study will scrutinize the role of proper candidate selection, adequate emotional and cognitive preparation, support from the home office, and remuneration and acclimatization strategies.

1.1 Objective

- To identify factors contributing to the success of expatriation.

2 LITERATURE REVIEW

Literature suggests that several factors influence the success of expatriates in their new roles. These factors include ensuring the selection of the right candidate (Stroh et al., 2005), preparing expatriates emotionally and cognitively before their overseas assignments, and providing support from the office. Additionally, adequate remuneration and acclimatization are highlighted as crucial factors. Therefore, the process of selecting expatriates should be conducted carefully to employ individuals with top capabilities (Punnet et al., 2002).

Bhatt K.T (2014), argued that "International business management presents a set of unique challenges because of cultural differences," and this topic has sparked substantial interest over the last two decades. Several instances of failed ventures due to poor management that fails to recognize and address cultural differences exist. Many companies have mandatory training programs on cultural management and assimilation for their international employees and domestic hires to help confront difficult cross-challenges. Managers in international
businesses need to become more attuned to the challenges stemming from a country’s diverse and complex cultural and ethnic landscape.

As reported by the Tamil Nadu Migration Survey 2015 (2017), nearly four million Tamil people are said to have emigrated from their native province of Tamil Nadu, as reported by news outlets in Singapore. The Gulf area, including the United Arab Emirates, Saudi Arabia, Kuwait, Qatar, and Bahrain, has the highest concentration of Tamil Nadu emigrants. In addition, the United States of America, Malaysia, and the United Kingdom are significant destinations for highly skilled emigration.

T.J. Huang, S.C. Chi, and J.J. Lawler (2005) pointed out that there are numerous advantages to becoming an expatriate. These include experiencing new dishes and beverages, exciting new rituals, and practices, and the thrill of change, which makes life interesting and enjoyable. However, expatriates also face challenges such as adapting to a new culture, dealing with homesickness, the high cost of living in the new location, quality of schools, and the difficulty of learning the local language.

Hamze M (2020), posits that a foreign assignment can be fraught with numerous challenges for an expatriate, despite some real expatriates disagreeing. For instance, many healthcare students sign up for overseas internships with private organizations as it is a path away from the challenges involved in arranging an elective placement on their own.

Wang T (2020), speculates that worries about pandemics and deglobalisation among Chinese students studying abroad could lead to a decrease in birth rates. Despite the rise in nationalism, many Chinese students continue to travel abroad for school. They can foster cross-cultural understanding through sharing information, ideas, and practices. It is crucial to address the cultural ambiguity between nationalism and globalisation for overseas students.

The study is anchored in existing theories and literature on expatriation, emphasizing its significance in global business operations and human resource development. This study underlines the importance of several factors in ensuring expatriate success, including selection processes, adjustment, support, emotional intelligence, training, and compensation (Al Ariss et al., 2012). The literature shows that these factors play a crucial role in overcoming the challenges associated with expatriation (Shen & Lang, 2009).

Shabaní & Govender (2023). This literature review analyses the characteristics of creative behaviour and how ethical guidance affects it. The theoretical framework highlights how leaders shape the culture of their organisations and the moral side of leadership, emphasising the importance of moral behaviour in contrast to autocratic forms. A quantitative methodology is used in the study to gather data from 160 respondents, including middle and executive managers who served as leaders and low-level managers who served as subordinates. The results show that ethical leadership has a favourable impact on employee creativity, particularly in terms of concept generation, idea generation, and idea advocacy. The analysis also emphasises how little ethical leadership is understood to affect employee creativity within South African state-owned businesses and how the need for ethical leadership is growing in reaction to corporate governance issues. The study aids in encouraging innovation and bettering leadership techniques within these organisations, ultimately enhancing performance.

Schreiber, Hupffer & Gayer (2022). Based on a theoretical study, the purpose of this literature review is to draw a link between the effectiveness of advertising and its effect on how people perceive obsolescence. The theoretical framework is divided into two parts, the first of which provides historical context and introduces the idea and primary forms of planned obsolescence. Hermeneutic and interpretive methodology was selected for this evaluation, which places the topic within the realm of social sciences. According to the findings, human social and behavioural changes that encourage individual competitiveness, the deterioration of social bonds, and the drive for personal validation enhance the phenomena of programmed obsolescence.
3 METHODOLOGY

This research study was carried out in the United Arab Emirates (UAE) within a construction company, focusing on the managers as the target participants. The primary data collection methods employed in this study were questionnaires and opinion surveys. Both primary and secondary data were collected and analyzed. The study aimed to investigate the factors contributing to the success of expatriation and their relationship with the demographic profile of the managers. Statistical tools such as mean, standard deviation, and ANOVA were utilized to analyze the data.

4 RESULTS AND DISCUSSION

Table 1: factors contributing to the success of expatriation.

<table>
<thead>
<tr>
<th>Expatriates Success</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>P Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selecting Expatriates</td>
<td>5.77</td>
<td>1.38</td>
<td>2.88</td>
<td>3.54</td>
<td>3.82</td>
<td>0.0001</td>
</tr>
<tr>
<td>Expatriates Adjustment</td>
<td>4.87</td>
<td>4.44</td>
<td>3.96</td>
<td>3.07</td>
<td>1.42</td>
<td></td>
</tr>
<tr>
<td>Support from the home country</td>
<td>4.86</td>
<td>3.65</td>
<td>1.17</td>
<td>1.78</td>
<td>1.16</td>
<td></td>
</tr>
<tr>
<td>Emotional Intelligence</td>
<td>5.71</td>
<td>4.61</td>
<td>4.12</td>
<td>1.61</td>
<td>1.33</td>
<td></td>
</tr>
<tr>
<td>Training for Expatriates</td>
<td>4.88</td>
<td>4.82</td>
<td>3.22</td>
<td>1.37</td>
<td>1.72</td>
<td></td>
</tr>
<tr>
<td>Compensation of Expatriate</td>
<td>5.16</td>
<td>4.71</td>
<td>5.24</td>
<td>3.22</td>
<td>1.82</td>
<td></td>
</tr>
</tbody>
</table>

Source: Prepared by the authors (2023)

From the above table 1, "Selecting Expatriates" seems to be the most significant factor in determining expatriates' success, as indicated by the lowest p-value (0.0001). This means that the probability that the observed correlation between the expatriate selection process and expatriate success happened by chance is very low (nearly zero). The responses indicate a more positive agreement on the factor, with 'Agree' and 'Strongly Agree' being the most frequent responses.

"Expatriates Adjustment", "Support from the home country", "Emotional Intelligence", "Training for Expatriates", and "Compensation of Expatriate" factors do not have their respective p-values specified, which limits our ability to judge the statistical significance of these factors. However, based on the provided responses, we can observe that the respondents agree or strongly agree that "Expatriates Adjustment", "Support from the home country", "Emotional Intelligence", "Training for Expatriates", and "Compensation of Expatriate" are also important factors affecting the success of expatriates. In general, the ratings decrease from 'Strongly Disagree' to 'Strongly Agree' for the factors "Expatriates Adjustment", "Support from the home country", "Emotional Intelligence", and "Training for Expatriates". This suggests a tendency towards disagreement with these statements among respondents. For "Compensation of Expatriate", the 'Neutral' response is higher than both the 'Agree' and 'Strongly Agree' responses, suggesting more varied opinions on this factor.

Selection of Expatriates: When choosing expatriates, respondents believed that character was a significant consideration. Character plays a vital role in the selection process. There must be consideration of various character traits like friendliness, good nature, openness, conscientiousness, and emotional intelligence. Expatriates should also possess a resilient
character that can manage stress and adapt to work-related as well as lifestyle challenges. Character is fundamental to an expatriate's success as it shapes how an individual adapts to a new environment, presenting risks and opportunities for both the job applicant and the hiring institution. Individual characteristics can be consistent over time and across different situations, although they may vary from one person to another.

**Expatriates Adjustment:** Respondents reported that their adjustment to new surroundings was facilitated by the assistance they received from local people. As expressed by the respondents, "What eased my transition was the generosity of local people, their empathy, and hospitality towards me". They also advocated for equal treatment of local and foreign workers as an effective means of mitigating tension. The expatriates suggested that newcomers should accept the differences presented by the foreign environment and adapt quickly.

**Support from Home Country:** Expatriates anticipate support from their employers when they leave their home country for an assignment abroad. This includes regular communication with colleagues and superiors in the home country. The respondents expressed that "if an expatriate encounters a problem, a discussion can be held with colleagues and top management in the home country." The regular contact between expatriates and their home country headquarters is crucial for expatriate success.

**Emotional Intelligence:** The respondents agreed that emotional intelligence plays a significant role in expatriate success. A manager with high emotional intelligence can effectively manage the strong emotions that individuals express during times of significant organizational changes. Emotional intelligence fosters trust, good communication skills, a teamwork approach, negotiation skills, and social competence. The respondents also stated that emotional intelligence is crucial for successful adaptation to new environments.

**Training for Expatriates:** According to the training manager at the bank, expatriates receive training and guidance to prepare for working abroad. This training provides an overview of the challenges of working overseas, particularly in unfamiliar countries. The training focuses on global or culturally diverse management. Respondents agreed that this pre-departure training is crucial for mentally preparing individuals to work in other countries.

**Compensation for Expatriates:** Respondents highlighted the importance of appropriate compensation during and after their assignments. This could include monetary allowances for living expenses abroad, compensation for negative currency fluctuations, and travel allowances. Apart from salaries, other forms of compensation such as bonus opportunities, pension plans, insurance benefits, vacation and sick leave, relocation and mobility allowances should be considered. Adequate compensation motivates expatriates and their families, making them feel valued and encouraged to excel in their roles.

4.1 Findings of the Study

**Selection of Expatriates:** The selection process of expatriates significantly influences their success in their roles. Character traits such as openness, conscientiousness, emotional intelligence, resilience, and the ability to handle stress and adapt to new situations play a crucial role in this process. The right selection process is vital for ensuring the expatriates can handle the challenges of their new environment and contribute to their organization's success.

**Expatriates Adjustment:** The study revealed the importance of expatriates being able to adapt to their new surroundings. This adjustment process was found to be facilitated by the support of local individuals, demonstrating the significance of building positive relationships in the host country. Respondents suggested newcomers should adapt quickly and embrace the foreign environment.

**Support from Home Country:** Regular communication and support from the home country were identified as critical factors for expatriate success. This includes support from
colleagues and superiors when challenges arise, highlighting the necessity of robust support systems within the organization.

*Emotional Intelligence:* Emotional intelligence was found to be a key component in managing the pressures of working in a new cultural environment. Skills such as effective communication, teamwork, negotiation, and social competence, which are integral aspects of emotional intelligence, were seen as vital for successful adaptation to new environments.

*Training for Expatriates:* Respondents acknowledged the importance of pre-departure training to prepare for the challenges of working abroad. This preparation includes providing an overview of potential challenges and focuses on global or culturally diverse management. Such training was viewed as essential for mentally preparing individuals to work in other countries.

*Compensation for Expatriates:* The importance of adequate compensation for expatriates was highlighted. This includes not just salary but also other forms of compensation like living and travel allowances, bonuses, pension plans, insurance benefits, and vacation and sick leave. Proper compensation serves as a motivation factor, making expatriates feel valued, leading to improved performance.

5 CONCLUSION

The present study was initiated with the aim to identify the factors contributing to the success of expatriates in a construction company in the UAE. Our findings illuminate that a strategic and careful selection of expatriates, underpinned by considerations of certain character traits, plays a significant role in ensuring their success in a foreign environment. The ability to adjust effectively to new cultural contexts, access to support from their home country, the development of emotional intelligence, pre-departure training, and a comprehensive compensation package, are all identified as crucial determinants of expatriate success.

The findings provide valuable insights for organizations, particularly in the UAE construction industry, on the importance of comprehensive expatriate management practices. They underscore the need for a well-rounded approach to expatriate selection, with emphasis not only on professional skills but also on individual characteristics that contribute to successful adaptation in foreign environments. Pre-departure training and support, focusing on cultural understanding, language competence, and emotional intelligence, can play a crucial role in facilitating expatriates' transition to their new roles. The importance of a competitive compensation package cannot be understated, as it serves as a key motivator and indicates the organization's appreciation for the expatriates' unique contributions.

From an academic standpoint, this study offers a nuanced understanding of expatriate success within the specific context of the UAE construction industry. It fills a notable gap in the literature and contributes to the broader discourse on effective expatriate management.

Nevertheless, the study is not without limitations. The scope of the study is confined to a specific industry in the UAE, which may restrict the generalizability of the findings to other contexts. Future study could expand the geographical and industrial scope, thereby providing a more comprehensive understanding of expatriate success factors. Additionally, longitudinal studies would be beneficial to observe the evolution of expatriate success over time.

In conclusion, this study signifies that the success of expatriates is a multifaceted construct, contingent upon a variety of personal and organizational factors. These findings reiterate the need for robust and comprehensive expatriate management strategies to maximize the potential benefits of expatriate assignments for both the individual and the organization.
SUGGESTIONS AND RECOMMENDATIONS OF THE STUDY

Several suggestions and recommendations are outlined below to enhance the success of expatriates in the United Arab Emirates (UAE) construction industry, although these strategies can also apply to other sectors and countries:

Selection Process: This study reaffirms the importance of a careful selection process. Not only should potential expatriates demonstrate the necessary professional skills and experiences, but they should also possess the personal traits required for successful overseas assignments. Thus, MNCs could consider introducing psychometric assessments to evaluate these personal characteristics during the recruitment process.

Cultural Training: Cultural differences often pose challenges to expatriates. Therefore, MNCs should provide comprehensive cultural training to help expatriates understand and adapt to the local customs, norms, and traditions of the host country. This training could also involve language lessons, if necessary.

Pre-departure and On-arrival Support: MNCs should establish a support system for expatriates. This system could include pre-departure briefings, on-arrival assistance (such as help with accommodation and schooling for children), and regular check-ins throughout the expatriation period. This kind of support would make expatriates feel valued and cared for, thereby reducing potential stress and dissatisfaction.

Emotional Intelligence Training: As the findings suggest, emotional intelligence is crucial for expatriates to adapt successfully to new environments. MNCs should consider introducing training programs that enhance emotional intelligence, such as stress management, resilience building, and communication skills.

Compensation Packages: MNCs should consider providing competitive compensation packages to motivate and retain their expatriates. The compensation should account for the cost of living in the host country, the hardships of the assignment, and the personal circumstances of the expatriate.

Family Support: Given the significant emotional strains on the families of expatriates, MNCs should consider extending their support services to include family members. This could involve providing assistance with finding schools, understanding healthcare services, and even offering language classes for family members.

Repatriation Support: Finally, MNCs should not neglect the repatriation process. The return to the home country can sometimes be as challenging as the initial move abroad. Offering career counseling and reintegration support can help expatriates and their families transition smoothly back to life in their home country.

MNCs need to adopt a comprehensive approach to managing expatriate assignments. They should focus not only on selecting the right candidates but also on providing ongoing support before, during, and after the expatriation period. With these strategies in place, MNCs can enhance the success of their expatriates and, consequently, their global operations.

REFERENCES


