



MBA
Managerial Accounting

Expatriating Americans to France

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1. INTRODUCTION

This paper discusses issues involved in developing an expatriation/repatriation program for a hypothetical American corporation sending its American employees to France.

I chose this topic because I lived the experience of a somewhat atypical American expatriate in France from 1995 to 1997, and gained a significant amount of experience that is relevant to this discussion. I claim to have been “atypical” because the maternal side of my family is French, and I grew up speaking French at home (in the U.S.A.) and visiting family quite regularly in France. I admit that this personal baggage perhaps diminishes my capacity to approach this topic objectively, but at the same time my position straddling the two cultures makes me very well placed to identify and dissect the misunderstandings that occur between them. This background, as I will detail below, mostly aided but also hindered in some ways my adjustment to working in France.

There are many elements involved in developing a successful expatriate program¹. For example, which selection criteria should one use in choosing employees for expatriation? How can managerial and other obstacles that arise due to cultural differences between France and the U.S.A. best be overcome? What sort of training should be done for the mission, and what should be the duration of the mission? How can the needs of the expatriate’s family best be accommodated? And what is the optimum manner to repatriate? These are just a few of the issues that must be addressed effectively if the corporation expects a positive return on the significant investment represented by the expatriation of an employee.

This paper cannot address all these issues, nor can it address even a single issue in detail. I will concentrate instead on what I consider the more interesting and important aspects involved in implementing an expatriation/repatriation program. For expatriation, I will discuss the selection of expatriate personnel and the preparation of the personnel for the assignment. Since repatriation plays a large role in determining the overall success or failure of an expatriation mission,² I will also discuss issues involved in organizing repatriation.

2. DIFFICULTIES AMERICAN EXPATRIATES MAY EXPERIENCE IN FRANCE

Before discussing how to design an expatriation/repatriation program, we need to understand some of the major sources of friction that may arise in both inside and outside the workplace between Americans and French. I categorize these into three classes:

1. Difficulties arising from physical differences between the two countries
2. Difficulties due to institutional regulations and bureaucracy
3. Difficulties due to the culture

As a general rule, problems that arise under the first category are simpler to address than those of the second category. The last category is normally the most difficult to address, but it is also the most important to address correctly, for the reason³ that

“Culture is not, as many people believe, peripheral to business – it is central to business”.

In the category of physical differences the major difference to which an American must adjust is the lack of physical space. This permeates every aspect of life and can become a major source of stress. The manifestations of this are everywhere: less space in the supermarket, in the parking lot outside the supermarket, in the car, on the sidewalk, in the shower, in the kitchen, in the elevator, in the toilet...^a. For a short period of time this miniaturized world may seem quaint, but for an extended period (more than a year) many Americans experience a sense of confinement that leads to stress.

The second category of difficulties, that due to government regulations, is faced by expatriates going to any foreign country. However, there are aspects of French culture that make dealing with government bureaucracy particularly difficult for Americans. In dealing with the national government for visa issues or for a driver's license, with private banks, or with municipalities for local taxes, Americans may be surprised not only at the unapologetic bureaucracy but at the documentation requested and invasion of privacy implied.

The last category, that of difficulties in adjusting due to cultural issues, presents the biggest challenge of the three, and is the subject of numerous books and articles.⁴

3. EXPATRIATE SELECTION

The selection process and criteria are critical to the success of the mission. If the wrong person is chosen for the job, even the most thoughtful expatriation program will not rescue the mission from failure, be it through early repatriation, or from mismanagement while on assignment. Two key factors underpin effective selection:⁵

1. The needs of the corporation's people must be put ahead of the globalization process of the corporation, and
2. Acting strategically in the present to develop a qualified pool of potential expatriates that the corporation may call upon when the need arises.

^a To address this issue the American corporation Caterpillar had a series of homes built to American dimensions in the Grenoble area. These homes are destined to house expatriates coming from the U.S.A. and are quite large by European standards, and are built on relatively large lots. The reason Caterpillar did this is to give their American expatriates not only quality housing, but also a place where they may escape the sense of confinement that is common among Americans in France.² In so doing Caterpillar aims to reduce the stress experienced by their expatriates, thereby increasing the likelihood of successful expatriate missions.

By putting the needs of its employees ahead of its globalization process, a corporation will become a more successful global player in the long run. Doing the opposite guarantees that not only will the corporation's foreign interests suffer greatly, but the corporation will suffer in its home market as well due to the inevitable high loss rate of its expatriates. To improve its chances of success, a corporation should include in its globalization plans a strategy for creating a pool of talented managers that are able to perform well in a foreign country.

With these two criteria met, selecting an appropriate candidate for an expatriate assignment becomes much less daunting. Predictive selection factors that are important may then be applied to the pool of potential expatriates. These factors include strategic, managerial skills, communication skills, and personal characteristics (the latter two may be applied equally to the spouse of the expatriate, although I will not discuss that here).

Evaluating the strategic factor is relatively straightforward. Essentially the candidate must possess the knowledge, be it technical, administrative, or other, required by the role. If the expatriate's role will revolve around, for example, manufacturing continuous power supplies, the expatriate must obviously master the technical issues of continuous power supplies. If the role involves administration, the expatriate must have knowledge of the corporation's administrative structure. Note that the expatriate candidate need not be the corporation's most highly qualified individual in the given field, since there are other factors that influence the probability of success, but a minimum of expertise is required.

As for managerial skills, conflict resolution and leadership style are two areas that should be emphasized. In judging what is desirable in this area, I draw on my personal experience working in both France and the U.S.A. For both conflict resolution and leadership style, the American manager will benefit from a collaborative approach when dealing with French colleagues. It is highly likely that the expatriate's French colleagues, as with most French people, appreciate feeling involved in a decision. If they feel a decision is dictated to them, the results are likely to be extremely negative. This may seem surprising to some, given the high power-distance in France, but it is a fact whose effects can be seen on virtually every nightly newscast in France. Note that discussing the issue at length does not mean giving up authority to make the final decision. The point here is that the manager must appreciate that any significant decision will be much easier to implement if this groundwork is laid in advance.

In the area of communication skills, it would obviously be advantageous if the expatriate speaks fluent French. However, a fluent French speaker is not necessarily to be preferred in (note that extensive language training should be undertaken by any expatriate prior to the assignment). The expatriate should also possess a strong *desire* to communicate. This involves not only communicating his ideas and feelings to his French colleagues, but also striving to understand the information coming his way. The expatriate needs to be aware that the French communicate in a more context-sensitive manner than Americans, so the expatriate must be at ease applying the extra effort that may be necessary to more fully understand his French colleagues. This effort may involve direct questioning (a very American approach), but should also involve solicitation of information from other French colleagues as well as serious introspection about how one's own message may have been heard in the first place.

There are many other desirable characteristics that are important to include in the selection criteria: openness, humility, a healthy sense of humor, intellectual flexibility, the willingness to compromise, to list just a few. These elements will help the expatriate not only in achieving the desired results at work, but also in being able to cope in general with life in a new culture.

There exist a variety of tools in the literature¹ to help managers evaluate the selection criteria discussed above. An example of a standardized tool that may be used to evaluate many of the selection criteria mentioned is the Foreign Assessment Success Test (F.A.S.T.), which measures a person's capacity to adjust to a different culture. Other tools include Assessment Centers, interviews, references, work samples, and background and biographical data. The tool used should be both reliable and valid.

4. TRAINING FOR EXPATRIATE MISSION

Although cross-cultural training has been shown to improve expatriate's job performance⁶ in an extremely cost-effective manner, relatively few U.S. companies offer pre-departure training to their expatriates. Training should begin before the expatriation mission, but does not end once the mission is under way – on the contrary, this is when training can offer the greatest benefits.

Training can come in various degrees of rigor, depending on the “cultural toughness”^b of the host culture,^{7,8} and on the personal characteristics of the expatriate. Although France falls in a region classified as one of the least problematic for Americans to adapt to, it is likely the toughest country within this region for Americans. The training program should therefore be quite rigorous, starting at least 3 months prior to the beginning of the mission (with language training starting before, if necessary). The training should continue until 6 months after the mission has begun, for a total of 9 months of training, and the family of the expatriate should be included in the training as well.

Black et al provide guidelines for developing the training curriculum. Prior to the start of the mission, the training should focus primarily on issues of daily life. As the start date approaches, the emphasis of the training should shift toward focusing on the culture (artifacts, values and assumptions) of France, so that there is equal content (50% daily-life, 50% culture) at approximately 1 month after the start of the mission. The daily-life content should then continue to diminish, reaching negligible proportions by the end of the 9-month training period, being replaced by content concerning the culture of France.

^b The concept of “cultural toughness” refers to how difficult, on average, *Americans* find it to adjust to a given culture. The world is divided into 7 regions, ranked from the region whose culture is the toughest to which to adapt to the region whose culture presents the least difficulties for adaptation:

1. Africa
2. Middle East
3. Far East
4. South America
5. Eastern Europe/Russia
6. Western Europe/Scandinavia
7. Australia and New Zealand

The content necessary to prepare the expatriate to face daily life in France will depend somewhat on the particulars of the assignment and the family situation of the expatriate. Important issues that are potential sources of frustration and stress are visa issues, housing, banking, driver's license/automobile insurance, health insurance, other medical issues, and schooling or day-care, to name a few. In addition, a mentor should be provided for the expatriate. This person can be a French employee who speaks English or another American that has experience in France. The role of the mentor is to facilitate the transition for the expatriate by aiding him or her with all these matters, and to monitor the progress of the expatriate's adjustment with the aim of detecting and addressing difficulties due to cross-cultural adjustment in their early stages.

The cultural training should include material about the history of France, as this can help the expatriate to better understand many cultural artifacts. For example, the regard for authority and the paradoxical tendency to disrespect civil duties, the respect for intellectuals and the parallel tendency to attempt to intellectualize many things, the relations between the generations, and much more can be understood more easily through recourse to history. The pedagogical method used should contain variety; films, literature, role-plays, interviews, and lectures are examples.

A vital point that must be emphasized in the training is the role of the meal in French culture, which is completely different than that to which Americans are accustomed. Of particular importance at work is the role of lunch, which in France is a minimum of one hour, during which all people *stop working* to eat. Americans may find this somewhat frustrating, since not only must they stop working, but they cannot accomplish any errands as the stores are closed as well and so are left feeling as if they are forced to "waste" an hour out of each work day. A more productive and realistic way to view the tradition, however, is as a superb opportunity to weave oneself into the fabric of the company. During lunch, all employees stop working and gather to eat and talk. Lunch can be, in fact, the most rewarding and productive period of the day, since, as rightly stated by Professor Paul Davidson,⁹

"It is impossible to [over]estimate the importance of the "casual" conversations in coffee breaks, the sharing of common interests and problems, and the mutually productive cooperative networks that begin with the growing trust through personal contact."

American expatriates should approach the French lunch hour as an excellent opportunity to talk with colleagues, share ideas, learn what forces are at work in the company, and so forth. This simple idea has a great deal of potential to influence the outcome of the expatriate's mission.

5. REPATRIATION

The culture shock experienced returning home is normally greater than that felt when going abroad.¹⁰ This fact is not commonly understood and is the basis for a large number of repatriation failures (i.e. lack of employee retention, loss of performance, etc.). Black et al. suggest that repatriation should be treated like expatriation, and, having experienced the difficulties of repatriation first-hand, I agree completely.

This implies that a number of the same techniques can be used to ease the repatriation processes that are used for expatriation. In developing a repatriation program, it is helpful to look at three main areas of readjustment for the returning expatriate:

1. He or she must readjust to a new job and work environment. The original job may not be available or may not even exist, colleagues have changed roles or moved on, and company structure may have changed dramatically. The work environment will not be the same as when the expatriate left.
2. The returning expatriate has to relearn communication methods. This is not obvious, especially to someone that has not experienced this phenomenon. However, after having spent several years living in France, I was shocked by my significantly diminished ability to communicate in English upon returning to the U.S.A. I could not find my words, did not remember expressions,^c and generally felt unable to communicate in English as I had done before leaving.
3. The expatriate will experience general culture shock. It is normal to expect to return home to an environment where everything is known and understood, but the reality is that home has changed while the expatriate was absent. The innumerable small changes in the surroundings, such as new buildings, new neighbors, new taxes, etc, make the returning expatriate feel homesick for the home he left behind, and which no longer exists. The feeling is made all the stronger since normally it is not expected and so comes as an unpleasant surprise. It may take several months or more for the returning expatriate to regain his bearings.

In addition to employing many of the same techniques as discussed for expatriation, a key issue in successful repatriation is to ensure that it does not come as a surprise to the company. In other words, the HR department of the host country needs to have the institutional memory to ensure that, even if individuals have changed positions or left the company, the repatriation will be handled professionally. Thus a HR employee should be made aware of an impending repatriation at least 6 months prior to the repatriation date, and that person must be competent to ensure successful repatriation

^c After returning from France, I distinctly recall asking an American friend how to say a phrase that works quite nicely in French (“de la part de”, which means roughly “on behalf of”, as in “I’m calling on behalf of...”). I explained in an awkward way what I wanted to say, and when he told me how to express this in English I had difficulty accepting it because it just did not sound right to my ears. To this day I still have trouble with this phrase in English (I had to get my English-French dictionary out to find this phrase for this paper).

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