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Enhancing Expatriate Success in Multinational Corporations: Strategies for Effective Assignment and Family Support

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ABSTRACT

This article explores the critical role of expatriate management in multinational corporations (MNCs), highlighting the challenges and strategies for successful expatriate assignments. It discusses the importance of investing in expatriate practices, particularly during the early stages of a subsidiary's development, to bridge skill gaps and ensure smooth operations. Key strategies for selecting expatriate staff, managing family-related challenges, and preparing expatriates for assignments are examined. The article also emphasizes the need for collaboration between MNCs and host countries to support expatriates' work-life balance through policies on healthcare, education, and family integration. Moreover, it addresses the career prospects for returning expatriates and proposes sustainable approaches for MNCs to retain talent and foster long-term success. By adopting these strategies, MNCs can enhance expatriate satisfaction, improve global operations, and ensure sustainable career development for their employees.

KEYWORDS

Expatriate Management; Multinational Corporations; Staff Allocation; Family Support; Career Development.

1. INTRODUCTION

With the drive for world economic integration, companies are no longer confined to a specific region. Companies are more interested in further expanding their markets, hence many companies are establishing their own subsidiaries around the world [12]. However, due to factors such as the local area, culture and the initial development of the subsidiary, the parent company needs to support the subsidiary with technical and managerial help [13]. Most companies have resorted to assigning staff to their subsidiaries, but this new measure has again created a certain degree of administrative problems for the company. People are starting to consider how this model of working will affect multinational companies and their employees. This essay will argue that it is vital for multinational companies to invest in good expatriate practices and furthermore provide good advice and methods for some of the stages of an expatriate assignment.

2. NECESSARY INVESTMENT FOR MNCS IN EXPAT PRACTICES

Investment by multinational companies in a good expatriate practice is essential. When a parent company has just set up a new subsidiary in another country, it may be difficult for the multinational company to recruit quality personnel locally to meet the management requirements of the company, which requires the parent company to send skilled staff to the subsidiary to ensure that the operations and management of the subsidiary meet the requirements of the headquarters of the company during the initial development phase [4]. Often multinational companies need to invest in the main operations of the company for their subsidiaries, and many people find it beneficial to invest in the training of people related to similar areas [11]. Investing in this area has three main advantages, helping to share resources and bridge the skills gap between parent and subsidiary companies; Gradually bringing the skill level and management model of the subsidiaries up to the requirements of the parent company; Fulfilling the expectations of employees for the subsidiary [4]. Although there are some drawbacks to this, for instance, the investment costs for the company can be high and expatriate satisfaction cannot be fully guaranteed to ensure expatriate retention [4]. However, through the support provided by the parent company to the subsidiary, the operations of the subsidiary will become stronger and the subsidiary will then be able to recruit high quality personnel locally without much help from the parent company [4]. Thus, it is beneficial for multinational companies to invest more in "expatriates" in the beginning.

3. STRATEGIES TO PREVENT ISSUES IN STAFF ALLOCATION

3.1. Strategies for Preventing Staff Assignment Problems and Selecting Expatriate Staff

To prevent problems in the process of assigning staff, there are strategies and methods that should be considered when selecting expatriate staff.

The issues related to expatriation usually stem from the family factors of the expatriates. Multinational companies should adopt the following three strategies. Firstly, multinational companies should create a pool of potential and high-performing talent on the basis of which they can build a framework for differentiated human resources. This will help to fill vacant positions in the field in the event of unforeseen circumstances [1]. Secondly, the selection of staff with professional skills who are knowledgeable about foreign cultures, who are at a lower level than the rest of the staff, who are younger and who do not have a spouse [4]. This is because such employees are often dissatisfied with their career development compared to employees with the same skills [4]. For this reason, there is a strong incentive and less resistance to relocating abroad, and such employees can integrate into local work and life more quickly. [4]. Thirdly, in order to alleviate the negative emotions of employees, multinational companies can implement a job rotation system, which helps to shorten the duration of expatriation and further helps expatriate employees to reduce the psychological problems arising from being sent abroad for a long period of time and the family conflicts of the employees themselves [4].

3.2. Preparations Before Sending Expatriate Personnel to Avoid Deployment Issues

In order to avoid problems in the process of assigning staff, preparations should be made before sending out expatriates.

After the selection of expatriates for multinational companies, in the preparatory phase of the assignment the company should inform the employees about their career plans, the influence of objective family factors and other factors and advise them on the appropriate measures to take [7]. In addition to this, multinational companies should provide training for their staff to help them learn the skills and management style of the place they are being sent to [6]. Firstly, before sending an expatriate, the multinational company should develop a strategic plan for the expatriate in order to focus on the expatriate's employability in the occupation and to inform the employee of the measures the company will take to help them overcome personal and environmental obstacles [2]. Employability in this context refers to the influence of individual career and objective family environmental factors. The measures for family situations here refer mainly to measures to help the family members of foreign nationals to accustom themselves to living in a foreign country. This requires multinational companies to work with other multinational companies to find suitable jobs for the spouses of expatriates and to provide advice on re-employment to the employee's partner even after repatriation [8]. Studies have shown that the situation is often complicated when the expatriate's partner has to give up their own job to support the expatriate's work abroad [4]. It is therefore very important that employees are made aware of the corresponding initiatives prior to departure. Furthermore, some people believe that the success of the adjustment for expatriates is related to the level of support provided by multinational companies to the field [3]. Pre-departure training for expatriates can help expatriates to make better use of knowledge sharing [9]. During vocational training employees can learn about the company's performance management, relationship building, contextual performance and retention, all of which contribute to the success of the expatriate employees of the company [4]. In terms of vocational training, it is critical to develop the language skills of expatriate staff [5]. According to some studies, the main reason for employees to ignore the management of their host country and conflicts with the management of their home country is the low language skills of expatriate employees [10]. This shows that it is essential to train employees in relevant vocational skills before dispatch. Many multinational companies have in-house training departments and teams of trainers, for example, an Indian company in the IT industry has a team of more than 80 trained trainers [4].

4. HOST COUNTRIES AND MULTINATIONAL COMPANIES SHOULD WORK TOGETHER TO SUPPORT INTERNATIONAL STAFF EXCHANGES

Multinational companies cooperate with host countries to provide some powerful policies for expatriates, which can help expatriates adapt to local work and life more quickly. Some people pointed out that the political and economic situation of a region are not two separate parts of each other, but that the politics and the economy of a region are complementary to each other [4]. The current economic environment of a region influences the enactment of local policies and correspondingly, the economic environment of a region is constrained by the policies enacted there [4]. For instance, the system of employment law, the labour market, and the protection of labor vary from place to place. For expatriate employees, they want more initiatives to help them adapt to a new working and living environment [14]. Firstly, host countries and multinational companies can provide good social service guarantees for expatriates and their families. In order to provide basic health protection for employees, host countries and multinational companies can work together to provide benefits to expatriate employees in the area of health insurance, which can enhance the well-being of expatriates [4]. The multinational company can also provide a pension scheme for its expatriate staff to fill the gap in pensions due to working away from home for a short period of time [4]. If the employee is female, an appropriate childcare policy should be provided by the host country and the multinational company [2]. In addition, host and multinational companies can provide good education and training for expatriate staff and their families, in order to help them find favorable living resources more quickly [2]. It benefits expatriates later in their social, working and living lives. These educational trainings include enriching the spiritual world of expatriates and their families, helping them to perceive foreign cultures, instructing them on how to socialise locally, and helping them to make correct attributions for foreigners' behaviour that they themselves do not understand by strengthening their empathy skills [4]. Some countries encourage and support communities or companies to provide similar training for newcomers to the country, such as Turkey, to learn about the labour market [4].

5. HOW MULTINATIONAL FIRMS RELIEVE FAMILY STRESS FOR EXPAT EMPLOYEES

When expatriate employees are assigned to work abroad, their families often face significant challenges, including economic and psychological pressures. If the company offers a salary increase or comprehensive benefits packages, these employees may be more likely to complete their assignments without prematurely returning home. A number of people believe that employees feel cared for by the subsidies they receive from the company, which makes them more motivated and creative at work [15]. This phenomenon is similar to the 'social exchange theory', in which the relationships that arise between people and organisations are the result of the exchange of goods, namely material and immaterial. [1]. The simple description is that employees provide non-material mental and physical output to the company, while being paid by the company that needs them for their personal satisfaction. Under these circumstances, employees are more motivated to continue contributing to the work of the company. In this case, firstly, the company establishes a series of flexible and variable remuneration incentives for expatriates. [4]. For example, the human resources manager of a Swedish company connected individual employees to the performance of the company, a "short-term incentive plan" was very attractive to expatriates and the company also rewarded good employees with the right to buy high-quality bonds from the company [4]. In addition, multinational companies should subsidise expatriates according to their working environment or adjust their salaries according to the specific circumstances [4]. Depending on the circumstances, these allowances should include: hazard pay, hardship payments, expatriate services, cost of living allowances, mobility payments, allowances for the education of foreign children, spouse or family allowances, and others [4]. Furthermore, multinational companies should ensure the integrity of the pensions of these employees who are sent abroad [4]. As long as these employees meet the qualifications, they can continue to participate in the company's pension plan. Therefore, all of these options can help the company retain employees, reduce anxiety, and allow them to work more comfortably.

6. CAREER PROSPECTS FOR EXPATRIATES IN MNCS

Multinational companies should make an effort to ensure that their employees believe they have good opportunities in the company when considering the career prospects of expatriate staff upon their return. With the different job markets in each country, there is a lot of uncertainty for expatriates preparing to return to their home country [14]. In terms of skills, the demand for skills in a particular area is different in different regions, expatriates have no assurance that the skills they have acquired abroad will remain competitive on their return, or they are unsure whether they can continue to do the similar job [4]. In terms of pay and benefits, expatriates who return home and find that their pay is lower than that of their colleagues with the same work commitment may have a negative attitude towards the company, for example, by perceiving it as unfair, which in turn may affect their motivation [4]. Based on the status of the appeal, The multinational company needs to develop a briefing for returning expatriates, in which the multinational company describes the further career plans that the company offers to these staff upon their return, and the details of these plans [4]. Specifically, this briefing should include the types of jobs, skills training, compensation and benefits offered by the company to its employees [4]. Therefore, multinational companies must take a responsible management approach to ensure the sustainability of their employees' career development [6].

7. SUMMARY OF CONCLUSIONS

In conclusion, the above describes the need for expansion of corporate investment in expatriates and further provides some useful suggestions and approaches for multinational companies to develop expatriate programmes at various stages. The main issues involved include the selection stage for expatriates, the preparation stage for expatriates, how the host country and the multinational company should assist expatriates in completing their tasks, and how the multinational company can prevent expatriates from encountering problems such as those faced by expatriate employees' families.

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