

Chapter 68

The Influence of National Culture and Organizational Culture on the Success of an Expatriate Overseas Assignment

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ABSTRACT

Numerous studies have attempted to determine what makes hospitality expatriate executives successful and a large variety of managerial skills have been generated. The rapidly increasing trend toward internationalization of business has fostered an interest in examining important management skills that international hospitality executives should possess. The study findings indicated that there were underlying dimensions that contributed to the success of hospitality expatriate executives on their overseas assignment. National culture and corporate using management skills could influence a successful overseas assignment. However, it was not revealed which one between the two dimensions has more influence towards a successful overseas assignment. Successful expatriates are being profiled as organizations have found that expatriate assignments are an effective, yet expensive, means of developing international qualities in their managers. The increasing globalization of business appears to have led to the emergence of an international business workforce that shares a unique set of cultural beliefs, attitudes, and behaviors. The thrust of this chapter was to examine the influence of national culture and corporate culture of hospitality expatriate executives that led to a successful overseas assignment.

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INTRODUCTION

An expatriate is defined as an employee who has spent at least once of his/her career working on temporary, short-term, long-term and/or semi-permanent assignments in overseas locations (Adapted from Heizman et al., 1990; quoted in Gliatis, 1992). In addition, an expatriate is a person who was not born in the country the hotel is located; does not hold the nationality of the country the hotel is located and who is hired on the expatriate status (Li, 1995). Expatriates often have detailed knowledge of the managerial systems used by a company and have an important part to play in the solidity of an organization's corporate culture in distant locations (Causin, 2007). A major driving force behind the expansion and utilization of expatriates is the growing demand for labor in the international hospitality industry combined with a major labor shortage in some Asian countries (Barber & Pittaway, 2000; Burns, 1997). The predicted employment requirements of the international hospitality industry are quite staggering and are forecasted to rise from 255 million in 1996 to 385 million by 2006 (The Economist, 1997; Barber & Pittaway, 2000). Expatriates were required to support this growth at many operational and managerial levels. The management of expatriate labor in the future became more important to hotel companies and would cover many aspects of hotel labor as well as managerial and professional positions (Barber & Pittaway, 2000).

Why use expatriates instead of host-country managers and/or domestically-based international managers? According to numerous authors (Causin, 2007; Barber and Pittaway, 2000), expatriates running foreign operations are more likely to be familiar with the corporate culture and control systems of headquarters than are host-country managers, which results in more effective communication and coordination with the corporation. Second, expatriates provide managerial talent in developing countries where there is limited local

talent. Third, the use of expatriates enhances the global mind-set of the organization. Expatriates are also a better option than domestic international managers when short-term international visits are insufficient for successfully growing a business in the target country. When expatriates are sent for an overseas assignment, they possessed both national culture and corporate or organizational culture. Theories provided tools for understanding the make-up of culture. As seen, divergent traditions have understood culture as values, codes, narratives, pathologies, discourses, and common sense as well as in many other ways. Each of these understandings has its own repercussions for interpreting the ways that culture works and how everyone should study it (Causin, 2007).

Here theory is concerned with offering models of the influence that culture exerts on social structure and social life. Theorists attempt to explain the role of culture in providing stability, solidarity, and opportunity or in sustaining conflict, power, and inequality. Cultural theory also suggests divergent mechanisms through which this influence is channeled, ranging from individual-level socialization through to macro-level institutions and social systems (Causin, 2007). The most critical issue concerns the ways in which culture shapes human action. Some thinkers stress the constraining nature of culture, while others point to its ability to enable action. Issues relating to the cultural construction of the self, motivation, and identity are fundamental to both sets of arguments (Causin, 2007).

The careless application of theories of organizational psychology across cultures is fraught with danger because research has found that, while there are similarities, the differences between organizations operating in distinct cultural and societal settings are significant (Causin, 2007). The similarities tend to be consistent for the same types of business and organizational structure, though there can be considerable variance between organizations operating as similar organizational types but in different societies in such areas as

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